FINANCIAL TIMES

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Japanese political ripples begin to spread, Page 4

NEWS SUMMARY

GENERAL

French 'attacked Spanish trawlers'

Spains's Foreign Ministry called in French ambassador Pierre Guidoni and sought an explanation of an incident in which nine Spanish fishermen were wounded when their vessels were accosted by a French gunboat.

A French Government official said a French Navy patrol boat had fired tear gas grenades at two Spanish trawlers, fishing 120 miles off the French coast, after it tried to intercept the vessels. The official said they were unlicensed to fish in the waters.

The trawlers, based in the Spanish Basque region, were being escorted last night to the French port of Lorient, according to Spanish radio. Two of the injured fishermen were said to be in a serious condition.

Cyprus talks go on

Greek-Cyprus talks on the future of divided Cyprus took an urgent turn when Cyprus's President Spyros Kyprianou decided to stay on in Athens. Page 2

Mondale hits back

Former Vice-President Walter Mondale, admitting that he was "hurt" by senator Gary Hart's third successive New England victory in the contest for the Democratic candidacy, hit back at his opponent. Page 3

Talks collapse

Talks between the Swedish Government and the non-Socialist opposition over a supplementary defence spending package to match the higher dollar rate have collapsed.

Pipeline bombed

The world's highest oil pipeline, in the Ecuadorean Andes, was bombed yesterday. The Government, an Opec member, fears oil exports might be affected.

Shot man settles

Stephen Waldorf, who was shot by London police last year in mistake for a fugitive gunman, accepted compensation of £120,000 ($178,000) yesterday. He recovered after being hit by five bullets.

Hijacker arrested

Swiss police arrested the hijacker of an Air France Boeing on a Frankfurt-Paris flight after it landed at Geneva airport. The hijacker, believed to be Arab, had asked to be flown to Libya. All 68 passengers and crew were freed after the five-hour ordeal.

Niemöller dies

Pastor Martin Niemöller, World War I submarine commander put into a Nazi concentration camp because of his pacifist campaigning, died in Wiesbaden, aged 92. Page 2

U.S. Vatican choice

U.S. Senate confirmed the nomination of Californian rancher William Wilson as the country's first ambassador to the Vatican for 117 years.

Journalists on trial

Five journalists from the magazine Stern go on trial in Hamburg tomorrow for their reporting of the Flick affair, in which West German Economics Minister Count Otto Lambsdorff has been charged with corruption.

Nissan shortlist

Nissan, the Japanese car maker, has drawn up a shortlist of three possible sites for its £300m assembly plant in Britain. Two sites are in the North east of England and the third is in Deeside, North Wales.

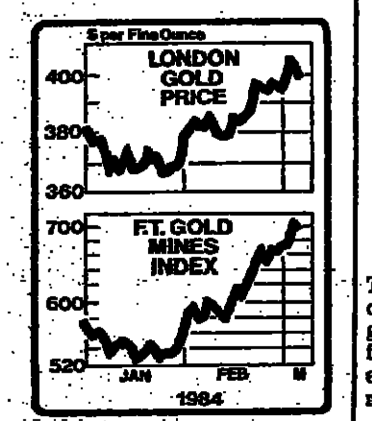
BUSINESS

Sonesson to buy stake in Gambro

SONESSON, the Swedish engineering and holding company controlled by Volvo, is buying a major stake in fast-growing Gambro, which makes kidney dialysis equipment. Page 20

DOLLAR rallied later in the day in London, improving to DM 2.556 (DM 2.5535) and SwFr 2.1145 (SwFr 2.1095), and easing to FFr 7.8575 (FFr 7.885) and Y223.1 (Y223.25). Its Bank of England trade-weighted index, struck before the close, fell from 124.8 to 124.6. In New York it closed at DM 2.57175, FFr 7.9225, SwFr 2.1310 and Y224.425. Page 45

STERLING fell 90 points to $1.476 and to DM 3.775 (DM 3.795), FFr 11.595 (FFr 11.705), SwFr 3.125 (SwFr 3.135) and Y329.5 (Y331.75). Its weighting was down from 81.6 to 81.4. In New York it closed at $1.4685. Page 45



GOLD fell below $400 in Europe. It was down $3.75 in London at $399.75, down $4.25 in Frankfurt at $398.75, and down $3.5 in Zurich at $398.75. Page 44. The FT Gold Mines share index fell 2.8 to 699.8. In New York the Comex March settlement was $398.8 ($404.5).

LONDON: FT Industrial Ordinary index fell 6.2 from its record high, to 835.4. A few Government securities showed marginal gains. Report, Page 39. FT Share information service, Pages 40, 41

WALL STREET: Dow Jones index was down 8.90 at the close to 1143.63. Report, Page 35. Full share prices, Pages 36–38

TOKYO: Nikkei Dow index fell 37.52 to 10,021.2, and the stock exchange index dropped 4.15 to 781.86. Report, Page 35. Leading share prices, other exchanges, Page 38

YUGOSLAVIA has accepted an offer from its international creditors to reschedule, on terms more favourable than agreed last year, between $1.4bn and $1.6bn debt falling due in 1984. It will soon devalue its *dinar 10* per cent. Page 2

COLECO Industries, U.S. computer maker, reported net fourth-quarter losses of $35m or $2.19 a share, against profits of $15.4m or 97 cents a share. The year's loss emerged at $7.4m.

RENAULT, French state-owned motor vehicle group, and International Harvester of the U.S., are due to sign today a letter of intent which will form the basis of an eventual rationalisation of the two companies' European farm equipment business.

LIBYAN leader Muammar Gaddafi announced the discovery of huge offshore oil resources exceeding all inland finds.

SWISS Supreme Court ruled that the Banque de Depots et de Gestion of Lausanne must give Italian authorities information about funds belonging to the late Roberto Calvi, head of the failed Banco Ambrosiano.

W. N. SHARPE HOLDINGS, British greeting card group, rejected a tentative £28m ($41.5m) takeover bid from Octopus Publishing.

Moscow warning to U.S. over warships in Gulf

BY OUR MIDDLE EAST STAFF

THE Soviet Union yesterday accused the U.S. of provoking a conflict situation in the Gulf and said its actions were "dramatically escalating tension" in the region.

The statement, issued by Tass, the official news agency, is by far the strongest Soviet response to the U.S. pledge to keep the Strait of Hormuz open to international shipping.

The American commitment was made in response to Iran's threat to close the Strait if Iraq struck at its oil export facilities.

Tass said the U.S. was grossly violating international law by moving warships and aircraft to the Gulf and warned that it did not recognise the "arbitrarily established restrictions" on other ships or planes operating in the area.

The U.S. has told other ships to stay at least five miles from the vessels of the Seventh Fleet and aircraft not to approach below 2,000 feet. Flares and machine gun fire have already been used by one U.S. warship to warn off Iranian aircraft and a frigate.

"The actions taken by the U.S. in the Gulf are creating a grave threat to peace and international security," Tass said. Dozens of American warships had now been massed in the Gulf and its air force was "constantly flying patrol missions."

According to Tass the U.S. action was an "attempt to confirm by a massive show of armed force imperialist claims to the Persian Gulf as another area of U.S. 'vital interests.' Washington would like to dictate its will to the countries of the region."

The Soviet statement is likely to be welcomed in Tehran despite the frosty relations between the two countries.

The Soviet Union and the U.S. have avoided becoming closely identified with either of the combatants in the Gulf war in the past three-and-a-half years.

With U.S. officials predicting another and much larger Iranian offensive in the next few days, however, the threat of Iraq trying to halt Tehran's oil exports has increased sharply.

Iraq called yesterday for an urgent meeting of Arab foreign ministers in Baghdad to deal with the "grave situation which threatens the whole Arab region."

Mr Tariq Aziz, the Foreign Minister, said the meeting should be held urgently because Iraq expected a further escalation of "Iranian agression." He suggested the meeting should be held next Tuesday.

John Moore in London writes: A British bulk carrier, the 19,210 gross ton Charming, was damaged by Iraqi air raids in the Gulf last week. The ship's managers, Allseas International Management, have notified Lloyd's insurance underwriters of the loss. The vessel was insured totally at Lloyd's and underwriters face a $2m payment.

Lloyd's underwriters also face a $2m payout arising from the loss of the Turkish cargo ship Sema-G

Reuters adds from Baghdad: Iraq's atomic power commission yesterday signed an agreement under which the Soviet Union will help in planning a nuclear power plant there, according to the official Iraqi news agency. An experimental reactor being built with French help was destroyed by the Israelis in 1981.

Red Cross poison gas findings, Page 4

President Hafez al-Assad of Syria is reshaping his Government and may be preparing other top-level political changes. He is still recovering from cardiac problems which required hospital treatment last autumn, and speculation continues in Damascus about his health. Mr Abdel Rauf al-Kasm, the outgoing Prime Minister, has been asked to form the new government. He said yesterday that the task should be completed within a few days.

The Syrian Government is an essentially executive body and greater political attention would be paid to any changes that Mr Assad may make in the Regional Command Council of the ruling Ba'ath party, which actually decides policy.

The state of Mr Assad's health, and reports yesterday of troop movements in and around Damascus, fuelled speculation that the President is being pressed to establish a chain of succession. Mr Rifaat al-Assad, the President's younger brother and commander of the Defence Brigades, has been adopting a higher political profile in the past few months.

Background, Page 4

Thomson has full control of Telefunken in share swap

BY PAUL BETTS IN PARIS AND JOHN DAVIES IN FRANKFURT

THOMSON, the French state-owned electronics and defence group, is to take full control of Telefunken, the West German consumer electronics group in which it already holds a 75 per cent stake.

The French concern paid the West German AEG group about DM 70m ($27.5m) for its initial stake in Telefunken after failing to take over Grundig, the other West German consumer electronics concern.

The deal for the outstanding 25 per cent will be completed through a share swap. That is expected to leave AEG with a stake of about 3 per cent in Thomson's recently formed consumer electronics subsidiary, Thomson Grand Public. Thomson said yesterday that the share swap plan had been part of the original deal between the French and West German groups.

The entry of AEG into the share capital of Thomson's consumer electronics subsidiary – until now 100 per cent owned by Thomson – represents the first tangible result of the French nationalised group's recent corporate reorganisation.

Thomson split its former Thomson-Brandt offshoot into five separate subsidiaries, one of which is Thomson Grand Public. All the units are controlled by the Thomson group holding company. The plan was aimed at giving the group greater flexibility to raise funds on the financial markets and to attract private risk capital.

For the first time, Thomson is expected to report a loss in its consumer electronics business in 1983. The sector made a profit in 1982, when the Thomson group reported an overall loss of FFr 2.2bn.

AEG's withdrawal from Telefunken would help to clear the way for any future Thomson restructuring of its consumer electronics interests in West Germany.

Its patchwork of West German operations also includes Saba, Nordmende and Dual.

Lex, Page 20; Stock markets, Page 35

CAP would succeed without UK – Chirac

By David Housego in Paris

M JAQUES CHIRAC, Mayor of Paris and leader of the neo-Gaullist RPR party, yesterday proposed a "two-tier" EEC and the temporary withdrawal of Britain from the Common Agricultural Policy (CAP).

M Chirac, the most popular of the French opposition leaders, said that without the British question, Europe would resolve its problems for better or for worse, but it would resolve them.

He declared that "for France there was no acceptable solution with Britain in the Common Market." As a result, he believed that it was "better to find an agreement under which Britain took temporarily leave of Europe, for a certain period, than to sacrifice the interest of French farmers."

Speaking at the Paris agricultural show, M Chirac said that "the defence of our farm interests must be a national priority above all in such a difficult period." He added that French farmers had never been treated with such scant interest.

M Chirac's advisers said afterwards that he only envisaged a "two-tier" Europe and Britain's withdrawal from the CAP as a measure of last resort in the case of a

Continued on Page 20

French purchasing "breaks rules," Page 2

Poclain asks its shareholders for cash injection

BY DAVID MARSH IN PARIS

POCLAIN, the struggling French earth-moving equipment manufacturer, is seeking another large capital injection from shareholders after announcing yesterday a net group loss of FFr 198m ($25m) in 1983 after FFr 283m in 1982.

The continuing financial drain, caused by the world construction slump and fierce competition from Japanese groups, is forcing Poclain to write down its capital and turn to its main shareholders – the Houston-based Tenneco energy group and French nationalised banks – for a new capital increase of up to FFr 260m.

This injection, which comes less than 12 months after an initial FFr 680m package of loans and equity was needed, underlines the difficulties facing Europe's largest hydraulic shovels maker.

Turnover last year was around the same as 1982 at FFr 2.9bn. Last year's rescue deal, which was put together after months of negotiations with the banks and the Finance and Industry Ministries, was agreed to in the expectation that Poclain would approach a break-even point for 1983.

With the decline in excavator sales much worse than expected (the French market last year plunged by 32 per cent), and restructuring at Poclain proving exceptionally difficult to manage, French banks can be expected to show resistance to providing more assistance.

Tenneco has 40 per cent of Poclain's present FFr 409m capital through a stake taken in 1977, after a previous financial crisis by its Case construction and farm machinery arm.

Banks and other financial institutions, led by Credit Lyonnais and Credit du Nord, own 25 per cent, and Saudi Arabian Emir Zeid Sudairi has about 6 per cent after a FFr 252m capital increase last spring.

To cope with the latest losses, Poclain is calling an extraordinary shareholders meeting to reduce its capital by half, writing down the nominal value of its shares from FFr 100 to FFr 50, taking the company's value to FFr 205m. This will be in line with the stock's slump on the Paris bourse, where the share price has recently ranged from FFr 55 to FFr 60.

The board will later seek to reconstitute the capital through a maximum FFr 260m increase to FFr 465m.

Poclain is also asking banks to reschedule part of its outstanding debt.

Stock markets, Page 35

French cable TV plans all in a tangle

By Paul Betts in Paris

THE SOCIALIST Government's ambitious plans for cable television in France have become tangled in a growing political and industrial controversy which threatens to delay and seriously undermine the programme launched with great pomp 16 months ago.

The plan envisaged connecting cables to 1.4m French households by next year and 6m homes by 1992. It involved about FFr 12bn ($1.5bn) in initial costs over the first three years on the basis of "one franc for the cables and one franc for the programmes."

The programme has yet to take off, however, with the exception of a few experimental trials in some cities. The delay is proving to be embarrassing for the Government, which is committed to a far-reaching industrial policy of promoting new high technology and electronic sectors. It is also causing rifts within the Left and at key institutions such as the telecommunications arm of the French post office.

The Government has now called for a *"pause de reflexion"*, which is another way of saying that the Government is playing for time in the hope that the controversy over the future of cable dies down.

This controversy reached a peak this week with statements by M Jacques Dondoux, the influential head of the PTT's telecommunications division, who suggested that the Government was plunging too hastily into cable television.

M Dondoux dropped a bombshell by saying that for the time being France was better off developing additional microwave systems to increase the variety and number of channels. The lack of choice – there are only three state channels in France – and the poor quality of programming is one of the main complaints from French television viewers.

He argued in favour of cabling, as long as the more expensive and advanced optical fibre systems, necessary in the long term for France's telecommunications and telephone needs, was chosen. But such a programme would inevitably take 10 to 15 years or longer. M Dondoux warned it would be economically wasteful if French local authorities opted for conventional copper wiring to speed up and reduce the cost of cabling.

It took 16 years to bring the telephone to most French homes, M Dondoux said. It would take about

Continued on Page 20

Rome acts on border delays as customs men call off strike

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT, IN ROME

THE ITALIAN Government has agreed to speed up border crossing formalities following overtime bans by Italian customs officials and blockades by lorry drivers over the past three weeks.

The Government's action, which will be effected by a ministerial decree if necessary, was followed by the autonomous union of customs supervisors calling off the overtime ban which began at 2 pm on Tuesday and the all-out strike threatened for Saturday.

Sig Claudio Signorile, Minister of Transport, said yesterday that he had made one agreement with M Charles Fiterman, the French Transport Minister, and another agreement with the governments of West Germany, Austria and Switzerland, whereby a single inspection of documents carried by lorry drivers would be deemed sufficient at Italian borders.

The agreements provide for Italian customs points being open at the same time as those on the other side of the border. Italy also aims at co-ordinating inspections which can at present be undertaken by officials of three departments: transport, health, and finance.

The agreements involve implementation of the directive adopted by the EEC Council of Ministers last December. The Italian Government had asked for an extension to the implementation date of three years. It now intends, with the French, to implement it by the end of this year. The Italians take the view, however, that they have special problems in introducing similar simplification of formalities at the Austrian frontier.

Sig Signorile said that his Government was acting because of the attention drawn to the delays at crossing points in the past few weeks. "We shall be doing what we have not done for the past 10 years. We realise that the problem is so serious that something must be done," he said.

He admitted that the problems were caused by a bureaucratic system which required "outdated paper work" as well as by the economic difficulties encountered by the road haulage industry in Italy.

He quoted the example of one customs official who felt that he was doing his job quite adequately despite the long queues of lorries on the Austrian border because he was satisfied that lorries were leaving Italy without problems. "The official has since been sacked," he added.

Sig Signorile says that he is also working towards the introduction of a single document to cover vehicle, commercial and health requirements, which would be issued at the point of departure of goods.

The unions involved appeared satisfied that the Government was moving to remove their grievances

Europe's long-distance lorry drivers know a lot about the EEC. Sheaves of transit forms clutter their cabs, and they have learned to accept inexplicable order delays and random checks on compliance with a tangle of differing national regulations stipulating even how much fuel they may have in the tank. How they contend with this "uncommon" market, Page 19.

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EUROPEAN NEWS

West German car industry fears effect of unions' hours claim

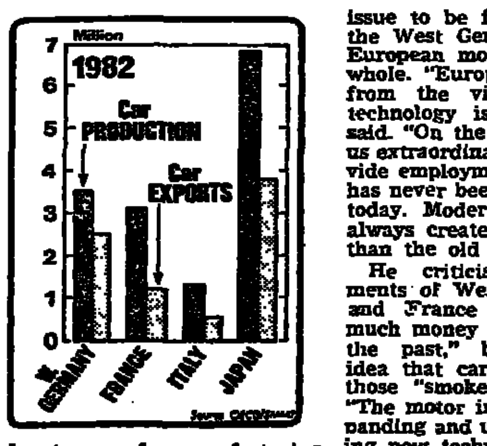
BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT, RECENTLY IN GENEVA

WEST GERMAN motor manufacturers are afraid that if the trade unions press their case for a reduction in the working week from 40 to 35 hours, the industry might be prevented from reaping the full benefits of the recovery in world-wide demand.

The West German industry is Europe's strongest and, like Japan, exports half its output. Its preoccupation with a possible strike over working hours was abundantly clear at the Geneva Motor Show this week. The first wage negotiations this year begin in about a month at Opel, General Motor's subsidiary and both management and unions seem firmly entrenched.

"The 35-hour week would impose a penalty only on the West German industry—it must be a conspiracy of our competitors," said Dr Carl Hahn, Volkswagen's chairman, in an attempt to inject some wry humour into a potentially serious situation.

The unions say the 35-hour week would help cut unemployment, but the car makers insist it would ruin the industry's competitiveness at a time when it needs more improvements in productivity to offset the disadvantage of manufacturing vehicles in a high-cost country.



At Geneva the managements continued to make threatening noises. BMW hinted it might be forced to halt work on a new car plant being built at Regensburg in Bavaria. Herr Hans-Erdmann Shoenbeck, its sales director, said that union demands "will be met wtih opposition and have caused us at least to make provisions for delays in some of our plans."

Dr Hahn insisted, however, that productivity was the key issue to be faced not only by the West Germans but by the European motor industry as a whole. "Europe must get away from the view that modern technology is destructive," he said. "On the contrary, it gives us extraordinary chances to provide employment. The potential has never been as great as it is today. Modern technology has always created more new jobs than the old ones it destroys."

He criticised the governments of West Germany, Italy and France for "sinking so much money into industries of the past," but rejected the idea that carmaking is among those "smokestack" industries. "The motor industry is still expanding and using and developing new technology," he said.

A good part of the $85bn the European motor industry says it will spend over the next five years will go to boost productivity. Some results are already showing up. Volkswagen's new Golf is final assembled in 100 minutes less than the 15 man hours the old model took. Renault's up-market R25, one of the few entirely new models on display this year at Geneva, takes six hours less to manufacture than the R30 it replaces.

M Bernard Hanon, President of Renault, said that the car producers must take advantage of increased productvity as soon as it is available.

Renault is trailing Fiat and Alfa Romeo in Italy, BL in Britain and even the Peugeot group in France in starting to implement its job reduction programme but has now announced that 7,000 jobs are to go.

"The industry will have to reduce its headcount either progressively or brutally. Our policy is to do it as early as possible. If we use the right measures in 1984 and 1985 we can prevent any traumatic experience," says M Hanon.

Like Dr Hahn, M Hanon believes that ultimately new technologise such as plastics, fuel injection and electronics, will all be job providers. He pointed out that Renix, Renault's joint-venture electronics company with Bendix of the U.S., started a couple of years ago with 30 people and now employs over 1,000.

"Although the motor industry can't cope entirely with the job cuts needed now and some workers might have to become redundant the industry will provide employment later for their sons and daughters," M Hanon insisted.

Hahn . . . 35-hour week would ruin competitiveness

The other main topic of discussion at Geneva, which has gained its international reputation because it provides the industry wtih a "talking shop" as well as the chance to show off new cars, concerned the intention of the West German Government to require carmakers to fit catalytic converters to eliminate emissions from exhaust fumes from January, 1986.

The industry estimates the converters will add DM 1,000 to DM 1,500 (£250 to £375) to the cost of a car: not much extra for an expensive Mercedes or BMW but a nasty imposition for a small Fiat or Renault. The regulations could therefore become another trade barrier for the French and Italians in their best export market.

The West German industry insists it will not be possible to complete all the development, testing and approval procedures in time to keep all its current models on the market in January 1986 and is equally worried that the uncertainties created b ythe regularities might cause car demand in Germany, currently reasonably buoyant, to go into reverse.

The Bonn Government is pressing the EEC to introduce similar, pan-European emission controls by the beginning of 1986 but discussions will not begin until next month. Professor Breitschwerdt, chairman of Daimler-Benz said pessimistically at Geneva: "It is not very likely that the proposal will be adopted throughout Europe as early as 1986—if at all."

Concern that the lack of harmony in European regulations will get worse was voiced by others—including the Japanese, who initiated strict emission controls on cars earlier than others.

Mr Hideo Kamio, a Toyota vice-president, said: "Our experience has convinced us that in order to enjoy both clean air and high standards of vehicle performance at the same time, switching to unleaded fuel is essential."

France uncovers more illegal accounts

By Anthony McDermott in Geneva

FRENCH CUSTOMS authorities, for the second time in six months, claim to have cracked the Swiss bank secrecy code and to have a list of some 3,000 French nationals illegally holding accounts with the Swiss savings bank, the Caisse d'Epargne of Geneva.

Last September, the French weekly Le Canard Enchaine, which revealed this latest breach of the Swiss banking code, claimed a list of 5,000 *clients had* been obtained from Union de Banques Suisses (UBS).

In spite of official denials, two former employees of UBS were arrested and charged with economic espionage and contravention of bank secrecy rules.

One of the two suspects admitted stealing tapes from UBS Lausanne branch and passing them to the French customs officials.

The French have been banned *for decades* from holding individual bank accounts abroad in all but exceptional cases. But in 1982, a French parliamentary commission estimated that there were 50,000 Swiss accounts held by French residents each containing an average of between FFr 500,000 and FFr 700,000.

Yesterday Mr Dominque Thomas, director of the Caisse d'Epargne, dismissed yesterday's reports as a "fantasy" designed to terrorise the French clients of Swiss banks and to discourage potential clients."

According to Le Canard, the French customs officials obtained the latest list in January and thanks to information obtained through UBS were able to decode it and discover who held the accounts. French police then confronted the account holders with documentary evidence.

French officials in the past have said people who admitted the existence of such accounts were offered the choice of bringing the cash back into France or facing prosecution.

The newspaper said the Swiss government believed "moles" among the French employees in their banks were responsible for passing on the information and it was displeased with the activities of the French customs.

It said an unnamed member of the Swiss government had contacted the French government representative in the Rhone-Alpes region that borders Switzerland and had threatened reprisals against workers commuting from France.

Owen calls for Nato policy study

By Bridget Bloom, Defence Correspondent

NATO Foreign Ministers should commission a new study of future strategy, when they meet in Washington in May to celebrate the 35th anniversary of the founding of the Western alliance, Dr David Owen, leader of the Social Democrat Party and former British Foreign Secretary, said yesterday.

The study should concentrate on ways Europe could improve its conventional defence forces to lessen the alliance's dependence on nuclear weapons, Dr Owen said.

Dr Owen, speaking yesterday on a visit to UK Land Forces near Salisbury, said the European Community should conduct a parallel study to look into the industrial, technological and political aspects of improving conventional defences.

It was important that European countries should reach a concensus on how to achieve this, which could not be done within Nato alone Dr Owen said.

"Politicians in Europe will not be able to persuade their electors to re-commit to new levels of increased defence expenditure in real terms after 1986 without being able simultaneously to assure their electors that that investment will predominantly go into the development of European industry and provide European jobs and a stimulus for countering the technological inferiority that has developed between Europe and the U.S.," Dr Owen said.

Dr Owen said it would be "helpful" if the two studies were run in tandem, with some common membership.

The SDP leaders' suggestions come as governments are reluctantly accepting that Nato's strategy of graduated or flexible response, implying the very early use by Nato of nuclear weapons, is neither credible to the Warsaw Pact nor to Western electorates.

Last December, Foreign Ministers mandated Nato ambassadors to submit a "thorough re-apparisal" at their Washington meeting in May, of East-West relations and how dialogue could be improved.

The first draft of the report is now being produced at Nato headquarters in Brussels.

Proposals that the EEC should become involved with defence issues is officially more controversial although earlier this week Sir Geoffrey Howe, the British Foreign Secretary, said he would welcome closer *EEC co-operation on defence.*

Yesterday, Mr Helmut Schmidt, the former West German Chancellor, supported proposals made in Time magazine recently by Dr Henry Kissinger that Nato should be reformed to give Europe a stronger and moreindependent role.

Time ripe for East-West summit, says Kohl on return from U.S.

BY RUPERT CORNWELL IN BONN

CHANCELLOR Helmut Kohl returned home yesterday more than pleased with his three-day visit to the U.S., in spite of his evident failure to persuade President Ronald Reagan to commit himself to an early summit between the super-powers.

Herr Kohl affirmed again yesterday that "the time was ripe" for a meeting between Mr Reagan and the new Soviet leader, Mr Constantine Chernenko, in spite of U.S. insistence that this should only take place if concrete results were likely.

The West German side is nonetheless claiming that Washington's mind is more open than before. Bonn officials believe progress towards outlawing chemical weapons is a feasible outcome which would justify a Reagan-Chernenko meeting.

There are also indications that Bonn's enthusiasm for a summit is mirrored by similar sentiments on the other side of the iron curtain.

Herr Wolfgang Mischnick, the parliamentary leader of the smaller FDP coalition party who recently met Herr Erich Honecker, the East German leader, said it was clear the East bloc was also keen on a U.S.-Soviet summit as a way of improving relations between East and West.

For all the lack of substantial results, Herr Kohl seems genuinely delighted by the "unusually friendly" climate which surrounded his discussions in Washington, in particular those with President Reagan himself.

Above all, Bonn feels the trip has helped clear the air, after the latest criticisms from across the Atlantic of Europe's contribution to Nato and the suggestion by Mr Henry Kissinger, the former Secretary of State, that *the U.S. might consider* reducing its miliary presence in Europe.

According to Herr Kohl yesterday, the alliance is "in good shape," while German-U.S. ties were as good as they had ever been.

But he reiterated the strong criticism from Bonn of the U.S. Administration's economic policy. He warned of the dangerous protectionist tendencies which seemed to be surfacing in the U.S.

Washington could not demand that Europe reduce state subsidies and tariff barriers, and at the same time "build its own protectionist walls."

● The index of West German manufacturing industry incoming orders rose a provisional 2 per centage points in January, seasonally adjusted, after being unchanged in December, the economics ministry said, Reuter reports from Bonn.

The ministry said the index, base 1980, expressed in volume terms, was a provisional 103 in January after 101 in D:cember and November.

Urgent talks on defence of Cyprus

By Andri ana Ierodiaconou in Athens

TALKS BETWEEN the governments of Greece and Cyprus on the problems confronting the divided island took an urgent turn yesterday when visiting Cypriot President Spyros Kyprianou, decided to stay on in Athens to discuss a total overhaul of both defence and diplomatic *policy.*

Mr Kyprianou arrived in Athens on Monday and was scheduled to leave yesterday after briefing the Greek Government on a February 15 meeting with UN secretary general, Sr Javier Perez de Cuellar.

Aides said Mr Kyprianou has now decided to stay until Saturday to review "all possible options" for making progress on the Cyprus problem.

They said "important decisions" would be taken during this week's talks, which they described as "very urgent."

"The Cyprus problem is hanging in critical balance. We will fully re-examine all progress to date," Greek Prime Minister Andreas Papandreou said after a first round of talks with the *Cypriot President yesterday.*

Mr Kyprianou said the Cyprus question was going through "a particularly delicate phase." He will also be seeing the Greek President, Constantine Karamanlis.

The contents of yesterday's meeting were not disclosed but the new element in the Athens-Nicosia talks appears *to be defence.*

Reports that Greece plans to send an infantry division to Cyprus have been denied by a Cypriot who stresses that there is no question of seeking a military solution to the 10-year Turkish occupation of the northern third of the island.

But there has been much discussion this week about upgrading the military preparedness of the Greek Cypriots on the island.

The Greek and Cypriot Governments are expected to discuss the modernisation of Cyprus' 15,000-strong standing National Guard Force.

"We fought the 1974 Turkish invasion with World War Two weapons. It is time to improve," one Cypriot official said.

This is a radical departure from past policy, which has been to deny all reports of plans to boost defences.

The Greek Cypriots hope this change will help them recover a tactical advantage over the Turkish side in the diplomatic arena.

"*Our policy has so far been* moderate. But it is time to ask whether the Turkish side has not mistaken this for total weakness," one government official said.

French purchasing policy 'breaks rules'

BY PAUL CHEESERIGHT IN BRUSSELS

FRENCH public authorities have breached EEC rules by giving preference to domestic suppliers in their purchases, the European Commission has said in a letter, to Mr Claude Cheysson, the French Foreign Minister.

In the letter, the Commission demands that the purchasing policy should change within a month.

The Commission was acting under the terms of Article 169 of the Treaty of Rome. This specifies that, if a member state does not meet its obligations under the Treaty, the Commission should forward a "reasoned opinion."

If the state does not change its policies within the time laid down, it can be taken to the European Court of Justice.

The French transgression, as the Commission's "reasoned opinion" has it, is to breach Article 30 of the Treaty. This forbids quantitative restrictions on imports and measures that have the same effect.

The evidence cited by the Commission covers instructions given by the hospital, broadcasting and defence authorities to buy French-made products.

Previous experience of such cases suggests that the French Government will accept the *Commission opinion and take* formal steps to change the policy. It was involved in a similar case in 1977.

Of all the Article 30 cases handled by the Commission over the past three years, only 5 per cent have finished in the European Court.

But the French case is symptomatic of a wider trend towards the use of quantitative restrictions in EEC trading. The number *of cases the Commission* had to handle last year was 902, compared with 586 in 1981.

Female unemployment in EEC approaches 15%

BY JOHN WYLES IN BRUSSELS

THE unemployment rate among women in the European Community is now approaching 15 per cent of the female working population compared to slightly less than 10 per cent among men according to new estimates produced by Eurostat, the EEC's statistical office, yesterday.

However, the gravity of the problem varies widely across EEC member states. The female unemployment rate is three *times higher* than that for men in Italy and double in France, the Netherlands and Belgium. In the UK and West Germany, the differences are very much smaller.

Unemployment among women under 25 is double that for those over 25. One young woman out of two under 25 is unemployed in Italy and the rate approaches 40 per cent in Belgium and 35 per cent in France.

The problem has been aggravated by the coincidence of recession and an enormous expansion of the numbers of women either in or seeking work. As a proportion of the female population, the economically active has risen from 44 per cent in 1970 to 50 per cent in 1982. During the same period, the activity rate among men has fallen from 90 per cent to 84 per cent.

According to the Eurostat estimates, "barring a reversal of this sociological trend, the behaviour of women on the labour market will be comparable to that of men by the start of the 21st century. It therefore, seems likely, that 30 years from now, there will be an additional 20m women on the labour market."

Among those currently employed in the Community an average of 71 per cent work in the services sector compared with *23 per cent* in industry.

Dutch public spending cuts urged

By Walter Ellis in Amsterdam

MR ONNO RUDING, the Dutch Finance Minister, is seeking to persuade his Cabinet colleagues that public spending next year should be cut by Fl 3bn (£685m) more than is provided for in the accord that set up the present centre-right coalition in November, 1982.

He proposes cuts of Fl 10bn in place of the Fl 7bn previously agreed, but has run into immediate difficulties with Mr Ruud Lubbers, the Prime Minister, and Mr Jan de Koning, Minister for Social Welfare and Employment.

Mr Lubbers argues that the budget deficit should be reduced more gradually, while Mr de Koning believes simply that the 1982 agreement should remain exactly as it is.

The Netherlands last year recorded a budget deficit of Fl 33bn, representing 11.5 per cent of net national income.

This was significantly less than had been predicted but was still well up on the 10 per cent deficit for 1982.

Mr Ruding feels that if the Government is to have any hope of achieving its target of a deficit of only 7.4 per cent of national income by 1986, it must act resolutely now.

Mr de Koning, on the other hand, has to reckon with the effect on the numbers out of work—838,000 in February, representing 17.8 per cent of the workforce—and on the increasing demand for social welfare benefits.

The Prime *Minister, for his* part, is concerned about the political effects of another sharp round of cost-savings.

The Labour Party is rising in influence, and with an important vote on U.S. cruise missile deployment just around the corner, the last thing the Cabinet needs is heightened divisions within the left and right wings of the coalition over the economy.

Mr Ruding wants Fl 2.7bn of next *year's cuts to come* from reduced salaries for public sector workers. Prolonged strikes and other protest actions preceded a 3 per cent cut in public sector pay this January. A second round of cuts would find the unions much better prepared.

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Yugoslavia agrees debt package

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

YUGOSLAVIA HAS accepted an offer by its international bank creditors to reschedule between $1.4bn (£1bn) and $1.6bn in debt falling due this year on terms more favourable than those agreed last year.

Under the proposal the debt will be rescheduled for seven years with a management fee of ⅜ per cent and an interest margin of 1⅞ per cent over London eurodollar rates or 1½ per cent over prime. Repayments would begin after a grace period of four years.

These interest margins are ⅛ percentage point lower than those paid by Yugoslavia on a rescheduling of $1.2bn last year which also had a shorter maturity of only six years.

Yugoslavia accepted them at meetings with key bankers in Belgrade earlier this week, subject to modification of some minor technical conditions.

However, it is now too late for Yugoslavia to complete the deal before the present temporary standstill on repayments of principal expires at the end of the month. A full meeting of the banks' negotiating committee is to be called shortly to discuss an extension of the standstill which would allow the rescheduling to be signed in early May.

Meanwhile, the accountancy firm of Peat Marwick *Mitchell* is examining Yugoslavia's books to find out exactly how much debt is to be rescheduled. Uncertainty over the amount stems from the difficulty in knowing which loans are guaranteed by foreign governments.

Loans in this category are to be refinanced with agreement of the governments concerned. The original estimate of the amount involved was $600m though this clearly depends on the outcome of the Peat Marwick Mitchell audit.

The banks' rescheduling agreement is conditional on a successful outcome of parallel talks with governments which is now expected to be reached in principle before the end of the month.

Mr Nikola Kmezic, a member of the central committee of the *Communist Party,* said on Monday that Yugoslavia would have to devalue the dinar by 10 per cent soon, Aleksander Lebl reports from Belgrade. This was one of the conditions for the IMF's financial support.

Yugoslavia had also agreed to raise interest rates and the price freeze earlier than planned and to let market forces determine price levels for 55 per cent of goods, Mr Kmezic said.

Romania cancels last tranche of credit

BY DAVID BUCHAN

ROMANIA HAS cancelled the last, $285m (£204m) tranche of its standby credit due from the International Monetary Fund this year, apparently because its external finances have improved while IMF policy conditions *have increasingly irked it.*

News that Romania earlier this year abrogated the three-year IMF loan agreement originally set to run until mid-June 1984 is not likely to shake Romania's other creditors.

Western banks and governments report that Romania is honouring previous rescheduling agreements covering 1981-83 debt, and they expect Romanian confidence that rescheduling in 1984 can be avoided to be fully justified.

Romania's external finances, if not its general economy, have *improved sharply, mainly as a* result of big cuts in hard currency imports. Last year it chalked up a $922m current account surplus, after payment of debt interest, in convertible currency.

According to some reports, Romania may ask the IMF later this year for another loan under different policy conditions.

Romania has evidently found it less pressing to meet IMF targets because of these improved circumstances. It had already introduced on January 1 this year a 15 per cent devalua*tion and increases in oil prices* and bank and budget interest rate charges as the condition for the IMF releasing a $200m tranche of the standby credit due last year.

Had Romania drawn its full standby credit, it would have to have accepted further fund conditions this year.

Italy, U.S. sign space pact

BY JAMES BUXTON IN ROME

ITALY AND the U.S. yesterday signed two agreements to develop and launch specialised space satellites from the American Space Shuttle. Italy also indicated a general willingness to collaborate with the U.S. in its space station project.

The two countries are to go ahead with the project for a tethered satellite system, a satellite which will be towed up to 100 km from the Space Shuttle. It will be able to operate in a low orbit only 130 km from earth and will be able to carry out geo-magnetic and gravitational studies not possible at the higher orbit followed by the Space Shuttle itself.

The concept of the tethered satellite was invented, it is claimed here, by Professor Giuseppe Colombo, a recently deceased member of the Italian national space programme. The launch of the system is scheduled for December 1987, and an Italian "payload specialist" is expected to accompany

Hard currency imports to fall

By Christopher Bobinski in Warsaw

POLISH IMPORTS, which are paid for in hard currency, are expected to fal in the first six months of this year compared to the same period last year, the government Planning Commission has warned.

A fall runs counter to the annual plan which aimed at a 4 per cent growth in hard currency imports, needed to supply industry and boost export production and to meet essential meat and grain requirements.

Continuing weak hard currency export earnings and the need to set aside considerable sums for servicing the $28bn (£20bn) foreign debt are expected to be behind the fall.

January saw hard-currency imports slump by 15 per cent to $145m compared to the same period last year.

German peace crusader dies

PASTOR MARTIN Niemöller, a Protestant church leader who defied Hitler and crusaded against the U.S. involvement in Vietnam, has died at the age of 92, Reuters reports from Wiesbaden.

The pastor, who died on Tuesday, had been in frail health for a long time, a spokesman for the Evangelical (Lutheran) Church said yesterday.

The First World War commander of a German submarine, the pastor's later pacifist views earned him the hatred of Hitler's Nazis. More recently, in the Western world he was labelled as a "fellow-traveller" of the Communists.

After his release from a Nazi concentration camp at the end of the Second World War, he preached collective German guilt for the war. When the Vietnam conflict broke out, he travelled the world denouncing U.S. involvement there.

Martin Friedrich Gustav Emil Niemöller, who always denied Western charges of being a Communist, was born to a Westphalian farming family in Lippstadt on January 14 1892.

An early ambition to continue the family's farming traditions turned to wishes for a seagoing career, and in 1910 the Kaiser's navy accepted him as an officer cadet.

He was eventually given command of a U-boat. His sorties against Allied ships in the Mediterranean earned him the title of "The Scourge of Malta."

In 1924, he was ordained as a minister. Six years later he became a parish priest in Berlin.

A Right-wing nationalist and opponent of the Weimar Republic, he became disenchanted with Hitler's Nazi party after its rise to power in 1933 and began to denounce its doctrines, especially the persecution of Jews.

His outspokenness led to his arrest in July 1937. He was sentenced at a secret trial to seven months imprisonment and was later sent to the Sachsenhausen and Dachau concentration camps.

Allied troops released him in 1945 and he returned briefly to his old *Berlin parish.*

He quickly became an even more controversial figure when he criticised West German rearmament – arguing that Germany should be a neutral country under United Nations supervision – and opposed a "crusade against Communism."

In 1952 he visited Russian religious leaders in Moscow and his "fellow-traveller" tag was firmly established. But he also intervened to prevent the persecution of Christian churches by *Communist* authorities in East Germany.

Hart trounces Mondale in third New England win

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

FORMER VICE-PRESIDENT Walter Mondale yesterday admitted that he had been "hurt" by Senator Gary Hart's third straight New England victory in the race for the Democratic presidential candidacy, but insisted that "the debate is just beginning."

Senator Hart made it "three in a row in the snow" by overwhelming Mr Mondale by 71 to 20 per cent in Tuesday's non-binding primary in Vermont, maintaining the momentum of his earlier victories in New Hampshire and Maine.

He is now favoured to win the two New England contests, in Massachusetts and Rhode Island, among the total of nine state primaries and caucuses to be held on next week's "Super Tuesday."

Mr Mondale claimed that he had not really challenged Mr Hart in the Vermont "beauty contest," which recorded presidential preferences and elected no delegates to July's national Democratic nominating convention. Mr Hart, however, read considerable significance into the outcome.

The Senator pointed out that he had drawn support from all age groups and backgrounds, including those previously thought to favour Mr Mondale, as well as from Independents and Republicans in Vermont. A similar performance would

Hart—"three in a row in the snow"

be required to beat president Reagan in November, he said.

Mr Hart said that he expected "Super Tuesday's" three key votes in the South—in Florida, Georgia and Alabama—to be "much closer." Mr Mondale yesterday extended his current southern swing for another three days until Sunday in a desperate bid to stop the Hart bandwagon. A new poll gave Mr Mondale 38 per cent in Florida, against 15 per cent for Mr Hart.

An increasingly defensive Mr Mondale is now taking the line that his contest with Mr Hart is "a fight for the soul of the Democratic Party." In another sharp attack on Mr Hart yesterday, he accused his opponent of being guided by "polls rather than principles" and warned that Mr Hart, if nominated, would abandon his party's roots and values.

Mr Hart's advisers responded with the unabashed claim that their candidate was "in the process of re-casting the Democratic Party" to include a lot of Republicans. "That should throw a tremendous scare into the Republican Party," said Mr Oliver Henkel, Mr Hart's campaign manager.

Mr Reagan's strategists are now rapidly reviewing their tactics on the assumption that it may well be Mr Hart, and not Mr Mondale as they had expected, whom they will face in the Presidential campaign. "He's really rolling," said one Reagan aide of Mr Hart yesterday. "It'll take an elephant gun to stop him."

Vermont also dealt a potentially serious blow to the third-placed Mr Jesse Jackson, who took only 8 per cent of the vote. Under complex federal election rules, his failure to reach the 10 per cent mark jeopardises his continuing entitlement to federal matching funds to swell his campaign finances.

Alfonsin urged to act on arrears

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

ARGENTINA's bank creditors are expected to step up their pressure on the government of President Paul Alfonsin to use part of its mounting foreign exchange reserves to reduce debt service arrears now estimated at more than $3bn.

The committee of leading creditor banks, which is chaired by Citibank, gathered yesterday in New York against a backdrop of worry that U.S. banks, which are owed more than $9bn by Argentina may have to put their loans on a non-performing basis if the arrears are not reduced by the end of the month. This would hit their first quarter profits.

But Argentina, which has total debts of about $43.6bn, is resisting the use of its reserves to reduce arrears. It has been rebuilding them steadily to an amount now close to $1bn in order to give itself a cushion of cash resources in case of need.

The problem for the banks is that they cannot easily extend fresh credit to Argentina to help it reduce the arrears without a fresh agreement between that country and the International Monetary Fund (IMF). Such an agreement is not currently in sight and Argentina has cancelled its previous arrangement with the IMF that was in any case due to expire next month.

Argentina has paid no interest on its bank debt since early October, but senior bankers reckon that its reserves would easily allow it to pay interest on public sector loans due through early January eliminating the accounting problem for U.S. banks.

Its failure to do so would increase tension surrounding its foreign debt but would not be regarded as an irreversable disaster.

Because of the problems involved yesterday's meeting was billed as a low key one unlikely to lead to any general recommendations to all creditor banks. European banks in particular are determined not to allow any special concessions to help Argentina meet its interest commitments. In particular the country is unlikely to receive the undrawn $1bn balance of the $1.5bn term loan arranged as part of last year's rescue package.

Eagleburger quits State Department

By Our U.S. Editor in Washington

MR Lawrence Eagleburger, Undersecretary for Political Affairs at the State Department, resigned his post effective from May 1 in a letter to President Ronald Reagan earlier this week, according to Department officials.

Mr Eagleburger, 53, had become an especially powerful figure in the Department's number three position, partly because of his closeness to Mr George Shultz, the State Secretary, who gave him wide-ranging authority in U.S.-Soviet and Middle Eastern affairs.

The Washington Post said yesterday that Mr Michael Armacost, 46, U.S. Ambassador to the Philippines, was expected to succeed Mr Eagleburger, who had been known to want to return to private life this year.

National Semi admits fraud

By Louise Kehoe in San Francisco

NATIONAL Semiconductor pleaded guilty late on Tuesday to charges that it lied to the U.S. Government concerning reliability tests it failed to perform on thousands of integrated circuits to be used in military and aerospace systems during 1978 to 1981. National will pay $1.7m in fines and costs.

The fines and relatively minor charges of mail fraud and making false statements were arrived at following lengthy plea bargaining with U.S. prosecutors according to Mr Joseph Russoniello, U.S. Attorney for Northern California.

Youths win vote in Nicaragua

By Tim Coone in Managua

Sixteen year olds have won the right to vote in Nicaragua. The country's legislative body, the Council of State, approved an amendment to the electoral law on Tuesday night reducing the minimum voting age from 18 to 16.

The amendment will allow an estimated additional 150,000 people to vote in the upcoming November elections.

Nancy Dunne in Port St Lucie, Florida observes a deadly trial run

A nuclear disaster, but not quite

THE FLASHING lights in the reactor's main control room indicated impending disaster. "We have a core melt situation" said an official. But nobody in the St Lucie nuclear power plant moved an inch.

As the emergency progressed, the state of alert was declared to be a state of emergency. Federal officials moved to take over responsibility from state and local governments, radiation monitoring teams were despatched to check local soil and water conditions, and civil defence and Red Cross teams were alerted. Still nobody moved.

It was only when evacuation plans were discussed that those present showed interest. County and state officials seemed confused and evasive about the effects of a nuclear rundown. "We would not be in any worse state than Three Mile Island," said one official, but 28,000 local residents would have to be moved, immediately.

Yesterday's "emergency" took place five years after the accidental release of radiation into the atmosphere from the Three Mile Island nuclear plant at Harrisburg, Pennsylvania.

Red Cross worker tests for radiation in St Lucie

That incident excited widespread fears about the safety of nuclear power and upset basic assumptions about the future of world energy.

Those in St Lucie were participants in the first-ever U.S. trial of nuclear emergency procedures—a disaster rehearsal ordered by Congress which will cost $1m.

Sixty representatives of 11 federal agencies are taking part as well as state and county officials, representatives of the power companies, several Congressmen and members of the Press. Some are analysts, some players, but all are watching a pre-arranged scenario unfold in accordance with a written script known only to a few key participants.

Plans for the second and third day of the test call for officials to check local dairy cows and to inspect vegetation for signs of radiation damage. Ham radio operators are to handle mock calls, sirens are to sound throughout the two local counties, and the Federal aeronautics agency will clear the airspace above the region.

Should the owners of the reactor, the Florida Power and Light Company fail to handle the situation well, they could lose their licence. In 30 days, Federal inspectors will release a report evaluating the test and estimating the number of injuries and deaths which would have resulted, had the nightmarish scenario not been only a game.

Asylum case poses a dilemma for Pinochet

BY MARY HELEN SPOONER IN SANTIAGO

THE FATE of four members of an outlawed left-wing Chilean organisation who sought asylum in the Vatican legation in Santiago eight weeks ago is severely testing the dictatorship of General Augusto Pinochet. The diplomatic tug-of-war has caught the President in a delicate dilemma over conflicting concerns for national security and Chile's relations with the influential Roman Catholic Church.

On January 15 four heavily armed individuals entered the legation requesting asylum. The Vatican accepted to their request but the Chilean authorities have declined to grant safe conduct passes to leave the country.

The military say that the four are leftist revolutionaries wanted in connection with the assassination last August of General Carol Urzua, Santiago's military governor. Hardline officers favour retrieving them by force, while the Chilean Foreign Ministry believes the Government should accede to the Vatican.

PRESIDENT Augusto Pinochet yesterday extended for a further six months emergency powers allowing his military Government to arrest and exile people without trial and to restrict freedom of speech and assembly, writes Reuters from Santiago.

A decree published in the official gazette renewed the so-called "state of threat to internal peace' which has been in force since a new constitution, approved by plebiscite in 1980, came into effect.

General Pinochet, who stands to lose politically no matter which course is taken, has said the matter will be decided by the courts—a manoeuvre going against international traditions of political asylum.

As the case enters its eighth week, Chile's relations with the Church and the Vatican are deteriorating, when the country is in the delicate final phases of a Vatican-sponsored negotiation with Argentina over the two countries' territorial dispute in the Beagle Channel.

The Vatican's emissary has turned the refugees' weapons over to the Foreign Ministry. Officials claim that two of the guns were used in the military governor's assassination, but have not offered definitive proof that any of the four refugees took part.

If there are loopholes in the military's case, there are also unanswered questions about the intentions and affiliations of the four refugees themselves.

Since the Chilean military seized power in 1973, the embassies of Western countries in Santiago have been a haven for thousands of political refugees — including revolutionaries — seeking asylum and safe passage out of the country. But there have been no recorded cases of revolutionaries who brought their weapons with them when taking refuge in a foreign embassy. The timing of the four leftists' entry into the apostolic nunciature also seemed calculated to embarass the Pinochet regime.

The following day Foreign Minister Jaime Del Valle was scheduled to travel to Rome for the signing of a pre-treaty accord with Argentina. The Vatican embassy has been surrounded by CNI agents and paramilitary police, while small crowds of people in civilian dress have demonstrated outside, shouting that the Catholic church protects terrorists.

Chile's Catholic bishops, long critical of the Pinochet regime's human rights record, have spread lavish criticism of the authorities' handling of the case and the perceived insult to Pope John Paul.

Meanwhile, the Chilean political climate is heating up again as the southern hemisphere summer draws to a close. During a recent trip to Punta Arenas, General Pinochet was greeted by anti-government protestors who clashed with pro-government demonstrators and police before fleeing the sanctuary of a nearby church — thus confirming rightist suspicion of Marxist infiltration of the Catholic hierarchy.

Bomb attack on Israeli bus kills passengers

By Our Tel Aviv Correspondent

THREE PASSENGERS were killed and nine wounded in the port of Ashdod yesterday in the first guerrilla attack inside Israel this year. The bomb is believed to have been planted under a seat in the bus carrying shoppers.

A spokesman for the Revolutionary Council, a breakaway Palestinian faction headed by Abu Nidal, issued a statement in Damascus claiming responsibility for the attack.

Abu Nidal, whose real name is Hasan al-Bana, was once a close associate of Yasser Arafat, the Palestine Liberation Organisation (PLO), until he broke away to establish his own extremist faction.

The group has claimed responsiblity for several acts of violence, including the murder in Madrid last year of Issam Sartawi, a leading PLO moderate.

Police detained about 150 Arabs for questioning following the attack.

Meanwhile in Jerusalem, police disclosed that Jewish extremists had confessed to two anti-Arab crimes — an attempt to break into the Al Aqsa Mosque, one of Islam's most holy sites, and the ambushing of a bus carrying Arab workers in Israeli-occupied West Bank.

Seven suspects are being held by the police.

Police said that so far their investigations into a long series of attacks on Arab and Christian targets had uncovered two separate Jewish underground cells.

Assad under pressure as Government resigns

Syria triumphs—and now for the troubles at home

BY ROGER MATTHEWS, MIDDLE EAST EDITOR

THE RESIGNATION of the Syrian Government amid fresh indications of tensions surfacing at the highest levels of the ruling Ba'ath Party in Damascus are a timely reminder that, despite his recent foreign policy successes, President Hafez Assad still faces a challenge in balancing and sometimes restraining the disparate elements which make up his domestic power base.

Since the June 1982 Israeli invasion of Lebanon, the Syrian leadership has been totally preoccupied with foreign policy issues—the risk of a full scale war with Israel, the struggle with Jerusalem over political dominance in Beirut, the battle for control of the Palestine Liberation Organisation, the confrontation with the U.S., and the need to liaise closely with the Soviet Union. Domestic issues, particularly the management of the economy, and political rivalries have been forced into the background by the overriding need to present a united response to major external challenges.

The unquestioned Syrian diplomatic victory in Lebanon—marked by President Gemayel's cancellation earlier this week of the May 17 troop withdrawal agreement with Israel and the calling next week of national reconciliation talks in Switzerland—permits Syria the relative luxury of turning its attention inwards. It also appears to be allowing the anxieties provoked by President Assad's illness last November to surface more clearly.

The resignation of the Government was conceded some months ago in Damascus to be already long overdue. The death of Mr Ahmed Iskander Ahmed, the powerful Information Minister, at the end of December, brought to four the number of senior posts in the Government which were vacant. The need to fill them became even more vital. More than that, the four-year-old Government was seen as ineffective, and largely rudderless, particularly failing to come to grips with the deterioration in the economy.

Rifaat al Assad . . . portrait on Damascus walls

It is therefore somewhat surprising that Mr Abdel-Rauf al-Kasm should have been charged by President Assad with the task of forming a new administration. Mr al-Kasm has not been widely regarded as a successful Premier among Syrians although it has been argued that his role and that of the Government is almost entirely dependent on the real power in the land, the Regional Command Council of the Ba'ath Party.

Debates and differences within the Regional Command Council rarely emerge publicly but President Assad's illness is known to have provoked discussions both on the running of the country during his time in hospital, and on possible arrangements for the succession.

Under Mr Assad's leadership, members of his minority Alawite sect have taken an increasing grip on the levers of power without necessarily officially occupying the positions through which such power would normally be exercised. Many of the most senior military and political posts in Syria are still filled by members of the majority Sunni Moslem community with lesser representation by other minorities, such as Druze and Christians.

Controversy has also centred on the President's younger brother, Rifaat Assad, who commands the Defence Brigades, the regime's ultimate defence against its opponents.

Lebanese President Amin Gemayel (right) embraces President Assad in Damascus nine day ago, a week before his abrogation of Lebanon's agreement with Israel

Rifaat Assad's less restrained lifestyle, his $1m mansion outside Washington D.C., his involvement in some of Syria's more profitable enterprises, and his sometimes abrasive personality, have long jarred will other members of the Regional Command Council.

Opposition to Rifaat was not confined to non-Alawis. The Alawi community suffers its own divisions and the personality of the President's younger brother has tended to make them more visible. Rifaat is also associated closely with the free-wheeling, capitalist approach to the management of the economy, in direct contradiction to the purer socialist ideals of other leading members of the Ba'ath Party, who prefer to look to the Soviet Union for their inspiration.

Leading members of the private sector in Damascus are complaining bitterly of being unfairly squeezed by the Government and say that there is over a year's delay now between the granting of an import licence and the opening of a letter of credit.

The tight restrictions on imports have however made even more lucrative the busy smuggling trade across the Lebanese border.

Western diplomats said yesterday they believed President Assad would bide his time and would not be unduly concerned at some minor flexing of muscles by the prime contenders for the succession. But with some of those contenders in charge of large military units, it was not thought to be a situation which he could allow to last for too long.

The restructuring of the Government appears to be a first step by Mr Assad and its membership will give some indication as to the future ideological balance within the regime.

At the moment, President Assad appears to remain still firmly in control of his country's destiny.

Red Cross findings support claims of chemical warfare

BY OUR MIDDLE EAST STAFF

THE International Committee of the Red Cross said in Geneva yesterday that examination of Iranian soldiers wounded in the Gulf war showed that they had been affected "by substances prohibited by international law."

A Red Cross team has in the past few days visited several hospitals in Tehran and seen about 160 wounded Iranian soldiers. Iran has several times accused Iraq of using chemical weapons in the fighting.

The Red Cross communique said that its team had found "a disquieting clinical picture whose nature leads to the presumption of the recent use of substances prohibited by international law."

A spokesman for the Red Cross declined to specify or speculate on what the "substances" referred to in the communique may be.

Iran said yesterday that it had thrown back the latest Iraqi attempt to retake the Majnoon oilfields, north-east of Basra. Iraqi military communiques have made no mention of the counter-attack since first announcing it on Monday.

However, Baghdad claimed yesterday that its fighter aircraft and helicopter gunships had flown more than 330 sorties yesterday against targets east of Basra.

American officials again said yesterday that Iran appeared poised for further offensives, with up to 500,000 men deployed along the international border.

Beirut shooting resumes

BY OUR MIDDLE EAST STAFF

SPORADIC exchanges of fire continued yesterday along the "green line" dividing the Moslem and Christian halves of Beirut as Lebanon's factional leaders prepared for next Monday's scheduled resumption of national reconciliation talks in Switzerland.

The talks, which are expected to last for at least two days, will aim at finding a basis for a new government of national unity and at formulating conditions for a lasting ceasefire.

Leaders of all the major factions have said they will attend, including Mr Walid Jumblatt who heads the Druze and has pledged several times in the past weeks that he will never again negotiate with President Amin Gemayel.

Mr Jumblatt and Mr Nabih Berri of the Shia Moslem Amal militia were said to be working out a common set of proposals to put to the conference. These are believed to include greater representation for Shia and Druze politicians in both the government and at senior official level.

Japanese political ripple may precipitate sea-change

BY JUREK MARTIN, FAR EAST EDITOR, IN TOKYO

JAPANESE politics are rather like the sea, sometimes turbulent, often deceptively calm and usually navigated successfully only by very ancient mariners with vast experience of the undercurrents.

But even the most hoary sea captain would have trouble steering a course through what is going on in Japanese politics at the moment. This is true both of events inside the ruling Liberal Democratic Party, which has to decide by when it meets in November whether to unseat Mr Yasuhiro Nakasone as leader and thus Prime Minister, and also inside the Opposition, which might, after its election gains in December, be expected to be harrying the LDP from pillar to post. Instead it seems more intent on climbing into bed with it.

One tenuous, and, at best, partial explanation is that the Japanese have become temporarily enamoured of the concept of the coalition. The splinter New Liberal Club, which broke away from the LDP in 1976, has formed a parliamentary coalition with the Government, thus making parliamentary management a bit less fraught. In return, it got a Cabinet seat and, though the amounts are only whispered, a lot of money.

Much more surprising is that the Democratic Socialists, the fourth largest party and always the most coalition minded, seem about to change fiancées. Having flirted last year with the Socialists, from whom they broke away in 1960, and also with Komeito, the third largest party, the DSP is now talking openly of dropping the word "socialist" from its title and entering into what it calls "extra-parliamentary" collaboration with the LDP.

Simultaneously, the Socialists under Mr Masashi Ishibashi, undoubtedly the hardest-working politician in Japan today, are shedding long-held ideological hang-ups, especially over the legality of the self-defence forces, in an attempt to form coalitions of the middle; unfortunately for Mr Ishibashi, who has to struggle to keep his Left-wing behind his pragmatism the most promising partners are disappearing rapidly into the bosom of the LDP. Undeterred he plans to take his campaign for respectability further with a visit to the White House.

This should be music to the ears of Mr Nakasone and may yet be. But he is caught up in a remarkable internal party debate over whether or not the LDP, which lost votes in December partly because of its inability to control its most powerful manipulator, Mr Kakuei Tanaka, should not abandon a brief experiment with an open leadership primary election, in use since 1978 and return to the old system of running its affairs from the smoke-filled tatami room where Mr Tanaka reigns supreme.

Mr Tanaka's most bitter opponents inside the party now seem willing to let the party elders, rather than the rank and file, determine the leadership. This can only mean that they have decided they have a better chance of negating Mr Tanaka's influence behind closed doors than in full view, where, admittedly, he also reigns supreme, as his delivery of the 1982 primary for Mr Nakasone demonstrated.

Equally defiant of logic is the fact that the issue of Mr Tanaka's Lockheed bribery conviction also seems to have vanished, so soon after the Opposition was able to use it as an effective club against the Government. The peculiarly Japanese explanation for this is that Mr Tanaka's personal triumph at the polls means that he cannot be removed from the Diet (parliament); that he achieved it by precisely those ruthless methods which got the LDP into trouble and which his critics deplore (though simultaneously practise, if less efficiently) is considered irrelevant.

Japan seems suddenly to have become bored with the whole question of "political ethics," possibly proving it always was more of a confection of the media than a public concern. Mr Nakasone recently announced new standards of disclosure of the personal assets of Cabinet ministers. They were so riddled with loopholes as to be derisory, yet criticism of them was brief and muted.

All this should not be taken to mean, however, that Mr Nakasone is home and dry in November, though his chances of survival look a bit brighter now than they did on the day after the election. The Prime Minister's problem is knowing who to defend against; one likely rival, Mr Toshio Komoto, the director of the Economic Planning Agency, has been uncharacteristically quiet, threatening neither to bolt the party nor to demand economic policy changes: another, Mr Noburo Takeshita, the Finance Minister, probably cannot move until his mentor, Mr Tanaka, lets him.

More effective challenges, though, may be coming from less expected quarters; Mr Kiichi Miyazawa, whom Mr Nakasone cleverly excluded from his new Cabinet in order to neutralise him, is showing signs of political hunger at last; even the hitherto docile Mr Shintaro Abe, the Foreign Minister, is allowing it to be reported that he is a bit tired of living under the shadow of an internationalist Prime Minister.

But all these are just surface ripples on waters that do run very deep. They are less dramatic than last year's tidal waves, but just as much part of the process.

THE NAKASONE RIVALS: Mr Kiichi Miyazawa, above, and Mr Shintaro Abe

Joint stance on key Australian industry issues

By Michael Thompson-Noel in Sydney

THREE of Australia's top industry groups are to pool their resources and take a common line on key issues such as industry protection, economic restructuring, government spending, and taxation—including the proposed resources rent tax the government plans to levy on the mining and petroleum industries.

The Australian Chamber of Commerce, the National Farmers Federation, and the Australian Mining Industry Council will continue to operate independently, but they agreed in Canberra yesterday that a key theme of future discussions will be Australia's export performance and trade competitiveness.

In contrast to the Confederation of Australian Industry, which invariably takes a cautious line on calls to lower protection, all three bodies represented in Canberra yesterday have welcomed efforts to encourage industrial restructuring.

The overhaul of Australian industry is a pet theme of Prime Minister Bob Hawke, whose Labor Government is taking steps to encourage the supply of venture capital

● Australian merchandise exports rose 5 per cent to A$2.11bn in January from A$2.01bn in December, the Australian Bureau of Statistics reported yesterday.

50,000 in Manila election boycott march

THOUSANDS of people calling for a boycott of national assembly elections in May paraded through the centre of Manila yesterday. About 50,000 Filipinos joined the rally, so far the biggest ani-Government demonstration this year.

The rally, organised by supporters of Benigno Aquino, the assassinated opposition leader, was from several provinces around Manila.

Last month, the boycott movement appeared alienated when the two major opposition parties in the Philippines decided to participate in the elections. Mrs Corazon Aquino, the widow of Mr Aquino, backed the participation.

Debt talks, Page 27

China expels journalist

CHINA has expelled a West German journalist, Mr Tiziano Terzani of Der Spiegel magazine, for an alleged attempt to smuggle protected "precious relics" into Macao, writes Mark Baker from Peking.

The West German Ambassador is believed to have protested, and a spokesman for Der Spiegel in Hamburg described the allegation as "false and invented." Close friends of the journalist said a UN diplomat had seen him struggle with police as he was taken away for questioning.

'Buy French' programme launched by Wang

By David Marsh in Paris

WANG, the U.S. office automation company, has launched an ostentatious "buy French" programme to improve its chances of establishing a strong foothold in the French electronics market.

The American company, which has a tournover of about FFr 350m (£30m) in France but has no manufacturing plant in the country, feels impelled to boost the French content of its products particularly to gain wider acceptance from government-controlled purchasers in French administration, banking and industry.

Wang is about to conclude semiconductor purchase agreements from Matra-Harris, the joint venture between the French state-controlled electronics group and the U.S. electronics company, as well as with Motorola, which has a chip manufacturing agreement with the nationalised Thomson concern.

It is also exploring the possibility of using some of the products of Bull, the state-owned computer group, in its world-wide range of equipment. Wang is looking especially at the idea of buying French printers for its office automation range.

Wang, which supplies the French market mainly from its European factories in Scotland and Ireland as well as from the U.S., has been in contact with the French authorities for some time to discuss building a plant in France.

Its decision to increase in the meantime the "Frenchness" of its products illustrates the pressures on international electronics companies active in France to stake out a manufacturing base there or at least sign supply agreements with domestic companies.

Wang's decision is believed to have been spurred partly by the success of International Business Machines—which has four French plants and two research laboratories—in promoting its computers and office equipment as "French-made."

Apple, the Californian based personal computer company, which has made big advances in exports to France over the last year, has also come under similar pressure to sign up collaboration agreements with French electronics suppliers and software companies.

Wang is inviting potential French suppliers to contact the company to determine whether components and ancillary equipment could fit into its range. It is also shipping back French products to its plants in Ireland and the U.S. to work out certification details to include them in its international range.

The local wine industry feels it is being unfairly treated in international trade. **Louise Kehoe** reports

Why California feels it has a strong case against imports

ON THE SWINGS and roundabouts of international trade negotiations there are "compensations" and "concessions." U.S. wine producers have spent 20 years in the concessions category and now they say they are ready for a change.

"There is a caste system in international trade. We are trying to break out of our caste. We are declaring independence from a system that has marked us as a compensation for other concessions," says Mr John Deluca, president of the California Wine Institute, a group that represents the majority of U.S. wine producers and which has spearheaded the U.S. attack on European and other foreign wine imports.

"Our case is that international trading concepts do not apply to what is happening in the wine industry," he explains. American wine makers believe that technical and quality advances in their manufacturing processes should enable them to improve their weak standing in international trade. "We are prepared to take on the best," boasts Mr Deluca.

Persuading the U.S. Administration to recognise their ambitions has, however, proved almost as difficult as selling Californian wines to French and Italian customers.

Mr Deluca recounts how in round after round of trade negotiations—in Europe, South America and Japan—wine has been left off the agenda.

"For example, in January 1983, we asked the Special Trade Representative to raise the issue of wine in Japan. They refused on the grounds that the 'timing was not right.' But the timing has not been right for 20 years. We are always being told to wait our turn."

Last year the U.S. wine industry decided it had waited long enough and turned to Congress for support. The result was the new controversial Wine Equity Bill, a measure designed to push for the elimination of tariff and non-tariff barriers to U.S. wine exports, or impose equivalent U.S. tariffs against wine from countries that fail to agree upon equal access.

A total of 345 members of the House of Representatives have co-sponsored the Bill. The bipartison support reflects recognition of the Bill as a pioneering effort in trade legislation, Mr Deluca believes.

The wine Bill has, however, generated fierce opposition, notably from the White House and from the U.S. Special Trade Representatives office, which testified against the Bill on the grounds that it would be "detrimental to international trading concepts."

"We have been accused of being protectionists, of being 'the Japanese of the wine world,' but all we want is fair trade opportunities. We are not looking for foreign scapegoats, we are trying to establish a principle," says Mr Deluca.

Still, most of the foreign wine sold in the U.S. comes from France and Italy, and the European Community regards the Wine Equity Bill as a measure aimed directly at its wine producing members. In a strongly-worded memo to the U.S. State Department last month, the European Commission warned that the Bill could severely damage the trading relationship between the U.S. and the ECC.

"Bilateral reciprocity, sector by sector, is in conflict with international trading rules and the whole thrust of the post-war liberalisation of trade," the EEC said.

European sensitivity on the wine issue has been further raised by another American industry effort. In January a group called the American Grape Growers Alliance for Fair Trade filed a complaint with the International Trade Commission and the Commerce Department alleging French and Italian "dumping" of wine on the U.S. market.

But the growers received a setback this week when the ITC firmly rejected their complaint. The ITC ruled that there was "no reasonable indication" that the imports harmed the U.S. wine industry.

Mr John Weidert, president of the grape growers group has contended that rapid increases in the imports of heavily subsidised and unfairly priced ordinary table wines from Italy and France were causing annual losses of over $600m to U.S. grape growers."

U.S. wine imports are growing at a rate of six times faster than the growth in U.S. consumption, according to the grape growers. Imports now account for 25 per cent of U.S. wine consumption. About 41 per cent of Italian wine exports are now entering the U.S. market, the growers contend.

"Subsidised foreign wines coming onto the U.S. market were valued at $781m last year, while our exports were valued at only $38m. That means that about 2 per cent of the U.S. trade deficit is accounted for by wine," says Mr Weidert.

The U.S. growers estimate that Italian wine that leaves ports in Europe at an average prices of $2.49 per gallon actually costs $4.48 to produce. French wine exported to the U.S. for $2.96 per gallon costs $4.54 to make, thev add.

A major flaw in the U.S. producers' case, however, is the strength of the dollar compared with European currencies. Added to this is the fact that the U.S. has only recently experienced surpluses of production which have brought home to it the need to boost exports.

Mr. Weidert suggests that the strong dollar accounts for "one-third of the problem," the other two-thirds, being long-term and not associated with currency fluctuations. "If you look at long-term import trends, including previous periods when the dollar was strong, you will find that it only causes a short-term aberration," says Mr Weidert.

Given the wine lobby's strong feelings about imports, it is not clear whether the current slippage of the U.S. dollar against most foreign currencies or this week's setback by the ITC ruling will be enough to take the steam out of the industry's pressure to press on with the Wine Equity Bill.

FRANCO-AMERICAN ENTENTE AT $50 A BOTTLE

SAN FRANCISCO — Although a wine trade war is threatening to break out between the U.S. and West European Governments, relations between some wine producers on both sides of the Atlantic are becoming closer.

There was fresh evidence of this at a lunch in San Francisco where Baron Philippe de Rothschild, owner of the illustrious Chateau Mouton-Rothschild of Bordeaux, and Mr Robert Mondavi, who runs a well known California winery, produced the first results of a jointly produced wine. The project was launched four years ago.

The wine comes from grapes grown in the Napa Valley north of San Francisco.

Mouton-Rothschild provided expertise for making the wine and also supplied the name and prestige of the Baron, whose silhouetted profile appears alongside that of Mondavi on the label.

Cameras clicked and whirred as the 81-year-old Baron carefully sniffed, sipped and savoured the latest product to bear his name. "Good stuff," he said finally.

At $50 a bottle it will have to be.

But whatever the price, oenophiles say, Messrs Rothschild and Mondavi will have no trouble selling the initial output of 5,000 cases, as it will be snapped up by collectors.

Most will go on sale in the U.S. with only 50 cases being exported to France and Britain.

Business links between foreign and U.S. wine companies, which would have been hard to imagine 15 years ago when American wine was the target of overseas derision, have now become commonplace.

About 25 California wine producers are owned by or co-operate with such companies as Moet-Hennessy and Piper-Heidsieck of France, Seagram of Canada and Distillers of Britain.

There is an Asian interest as well. Japan's Suntory owns one-third of a vineyard in southern California, and Four Seas Investment of Thailand owns a winery and a vineyard near Napa.

The Baron said the venture with Mondaui was prompted by a need to diversify, partly for political reasons. "We have a Socialist Government (in France) which does not make things so easy," he said.

Concern over the political climate and stability of Europe is commonly given as a reason why the Baron and others like him have established an investment beachhead in the U.S.

Another more tangible reason is the nature of the wine market in the U.S., where consumption of wine is low—2.21 U.S. gallons per capita annually compared with nearly 24 gallons in France—but rising.

But with the Government under pressure to retaliate against what American producers regard as foreign wine dumping, traditionally easy access to the U.S. market may not be so easy in the future.

Reuter

W. Germany and China sign space agreement

By Rupert Cornwell in Bonn

WEST GERMANY and China yesterday signed a research and technology agreement, aimed at furthering co-operation in the civil space industry, above all in the field of satellite development.

The deal, announced during the current visit to West Germany of Zhang Jun, Peking's minister for space affairs, is a sign of his country's eagerness to use advanced foreign technology for its fast expanding development of broadcasting, weather and scientific satellites.

Officials at the Technology Ministry here calculate that German expertise and equipment could help in some 60 projects underway in China. The new agreement will put such collaboration on a more clearly defined legal basis.

Important fruits could come as early as this year—if, as Bonn hopes, China awards a major broadcasting satellite contract to a West German consortium, including Messerschmidt-Bölkow-Blohm and AEG-Telefunken.

Bonn to provide Burma with development loans

BY CHIT TUN IN RANGOON

WEST GERMANY has agreed to provide Burma with two loans totalling DM 175m ($46m) and a DM 10m commodity aid during 1984 and 1985 under an economic co-operation agreement signed yesterday in Rangoon at the end of a five-day official visit of Dr Juergen Warnke, West German minister for economic co-operation.

The first loan of DM 150m is to be used on rehabilitation of the nearly 50-year-old British-built cement factory at Thayetmyo, 250 miles north of Rangoon, purchase of shunting locomotives, spare parts and equipment for Burmese Railways and partly financing the construction of a hydroelectric power station at a multipurpose dam in central Burma.

The second loan of DM 25m is for supplies and services to be provided for a new vocational training school, for mineral and hydrocarbon exploration, and for fertiliser distribution and application, livestock breeding, and school-book printing.

The DM 10m commodity aid will be used for Burmese imports of urgently needed industrial inputs and spare parts.

With these new commitments, total West Germany bilateral assistance to Burma since 1962 has topped DM 1bn, a West German spokesman said, adding that Bonn has also provided about DM 50m assistance to Burma each year through multilateral channels.

The spokesman said the two loans now committed were a mixture of soft and commercial loans with differing periods of repayment but carrying an average rate of interest of about 3.5 per cent. In this respect they were different from the loans provided in the preceding two years which were all "soft," he said.

Berlin tourism fair keeps close watch on falling $

BY LESLIE COLITT IN BERLIN

THE EFFECTS of the falling dollar on trans-Atlantic travel are being closely watched at the current International Tourism Exchange in West Berlin which is billed as the world's largest travel fair.

Mr Michael Rosak, director of Pan Am's passenger sales in West Germany, said it is with "great relief" that he sees the dollar "moving in the right direction." Last year fewer Germans and other Europeans visited the U.S. because of the dollar's strength.

However, if the dollar takes a further sharp fall it could also dissuade some Americans from visiting Europe this year after coming in record numbers in 1983.

The economic recovery in West Germany — whose citizens are the second leading spenders on travel after Americans — is being registered with satisfaction by exhibitors from 131 countries and territories. Airlines, tour operators and hotels catering for Germans report business is excellent.

Mr Simon B. Cardew of Sheraton Management in the UK said Sheraton Hotels does more business at the annual Berlin fair than at any other trade fair and flew in 45 of its people from all over to meet European wholesalers.

From its modest start in 1966, the international travel fair has paid considerable attention to the developing countries which have been aided in building their tourism infrastructure by the German Society for Technical Co-operation. Last year African countries recorded a 0.8 per cent growth in income from tourism which reached $2bn. World-wide receipts from tourism exceeded $100bn last year making it the third largest export industry after oil and cars.

British Airways at the fair is decidedly upbeat about its performance, with an expected 1983-84 profit of £300m which it notes is twice what American airlines makes and eight times Lufthansa's earnings.

International Appointments

APPOINTMENTS ADVERTISING IS CONTINUED ON Pages 12, 13, 14, 15, 31, 32, 33

UK NEWS

Scott Lithgow rivals agree terms for deal

BY OUR INDUSTRIAL AND POLITICAL STAFF

TRAFALGAR HOUSE, the UK property and shipping yard and Howard Doris, the Anglo-French construction company, have joined forces to take over the ailing Scott Lithgow shipyard.

The Scottish yard, owned by the nationalised British Shipbuilders (BS), was threatened with closure after lengthy delays on offshore rig contracts.

The plan, for which a deadline of March 16 has been set, involves a complicated arrangement of partial lease and outright sale. There will be no immediate down payment, but the companies have agreed with the Government to invest in the yard, on the Lower Clyde, about £20m over four years.

The value of the deal and sum to be paid will only become clear when Scott Lithgow has proved its ability to win more business. Trafalgar will take a 75 per cent stake in the yard and the rest will be held by Howard Doris, owned by C. G. Doris, a French engineering company, and UK civil engineering groups John Howard and Fairclough Construction.

Trafalgar and Doris were previously rivals to buy the yard. Bechtel, of the U.S., the other late contender, dropped out a week ago.

"Speed was essential," Mr Eric Parker, chief executive of Trafalgar, said. If competition between the two companies to buy the yard had gone on several more weeks, "there wouldn't have been a business."

It was a month ago that Trafalgar announced conditional agreement to acquire the yard from BS. Howard Doris was intending to bid in partnership with Gotaverken Arendal of Sweden.

This followed the cancellation in December of an £88m rig for Britoil; which was about two years behind schedule and only 30 per cent complete.

British Petroleum then cancelled its own rig, originally priced at about £80m. The rig is 98 per cent finished. BP also demanded compensation of £85m to cover delays, interest and legal damages.

No price has been yet given for the purchase of the yard, but the Government has already undertaken to "wipe the slate clean" of Scott Lithgow's debt and provide regional aid, if needed.

The new owners, with technical help from Gotaverken, will work on completion of the Britoil rig by the revised completion date of March 1986. They are expected to meet Britoil today.

Mr Graham Day, chairman of BS, agreed last night that the attitude of Britoil would be crucial to the success of the takeover. "Britoil was, is, and remains the key driving force to the whole transaction," he said. Loss-making BS refused to renegotiate the rig deal deal and Britoil cancelled it after the delays.

Trafalgar said its association with Howard Doris – the plan is for Trafalgar to acquire the yard first and then sell a share to its partner – had been endorsed by BS and Britoil.

Mr Alick Buchanan-Smith, Energy Minister, described the takeover, announcement as good news. "We need a UK capability in semi-submersibles, especially in the light of the ninth round of oil licensing."

There was no over-capacity in the offshore business, he added.

The potential purchasers of Scott Lithgow said they would seek all work opportunities for the yard. This would include all or part of the contract for a floating oil platform for Sun Oil of the U.S. in the Balmoral field. But this order, worth about £125m, is likely to go to Gotaverken.

Mr Parker said of the Sun Oil order that this was "unfortunately a long way down the road to Sweden." But offshore industry sources said the Scottish yard could be involved in some sub-contracting work.

Miners' leaders warned over pressures to spread strikes

BY DAVID BRINDLE

LEADERS OF the National Union of Mineworkers (NUM) will today be warned of the dangers of setting miner against miner by allowing the uncontrolled spread of strikes planned in Yorkshire and Scotland over pit closures and job losses.

Representatives of the less-militant coalfields will urge their colleagues on the union's executive to take a firm grip on the escalating action and to provide for secret ballots before strikes are provoked on other areas.

The NUM executive, meeting in Sheffield, will decide whether to give official backing to the strikes. Union leaders in Scotland and Yorkshire have forecast a "domino effect" which would spread the stoppage across the country.

In some other coalfields, however, union officials fear confrontation at the pitheads if – as seems likely – striking Scottish and Yorkshire miners send out pickets with the aim of achieving a national shutdown of the industry early next week.

Mr Jim Colgan, secretary of the Midlands area NUM, said: "If we have people coming from other areas, it will create animosity. I believe the executive has got to take a hold of this to stop getting out of hand."

While stressing that they would expect their members not to cross any picket lines, some area leaders of the NUM believe that the proper way to spread any strike is by secret ballot. Under NUM rules, a 55 per cent majority of the membership is required to authorise a national strike.

All 15 pits in the South Yorkshire coalfield remained idle yesterday through strike action. In Yorkshire as a whole, however, there were some 17,500 miners either on strike or laid off compared with more than 20,000 on Monday and Tuesday. In Scotland, 1,300 men at the Seafield Colliery in Fife were again called out on strike after returning from a three-week stoppage on Monday.

Turning on the heat, Page 18

VICTOR TO CONSIDER COMPUTER GROUP'S BID TODAY

ACT makes new Sirius offer

BY JASON CRISP

APPLIED Computer Techniques (ACT) believes it is close to winning the worldwide manufacturing and marketing rights of the Sirius computer, which are held by Victor Technologies, the U.S. group that went bankrupt last month.

ACT, the fast-growing computer group that launched a $17.2m rights issue last week, has made a revised offer independent of Swire Pacific, with which it had previously made a joint bid. The new offer is to be considered at a board meeting of Victor scheduled for today in New York.

The new bid coincides with the launch in London yesterday of a new version of ACT's Apricot computer called the xi. The Apricot xi undercuts the equivalent version of the IBM Personal Computer – the PC/XT – by about £1,000.

The Apricot xi – which comes with a hard disk memory capable of storing the equivalent of 10m characters – will also compete partially with the Sirius computer. ACT's very rapid growth has largely been because of the success of the Sirius, for which it holds the UK distribution rights.

Last year, ACT started manufacturing the Apricot, which it had developed itself. The Apricot, costing just under £2,000, did not compete with the Sirius, at about £4,000. ACT is Victor's largest customer for the Sirius and is selling about 1,250 a month in the UK.

Last month, ACT and Swire Pacific made a joint bid for the worldwide manufacturing and marketing rights of the Sirius, after at one stage competing. The new single bid from ACT is thouht to be worth about the same.

The bid would have to be approved by the creditors and the courts if it is accepted today by the Victor board. One reason Swire has dropped out is to reduce the complexities of the negotiations. If ACT succeeds, Swire will continue to market the Sirius in the Far East and may also manufacture it. ACT has not yet decided whether to make the Sirius computers in California at Victor's plant, in the Far East or in Scotland, where it makes the Apricot.

Mr Roger Foster, founder and managing director of ACT, said of the new computer yesterday: "We believe the xi is more significant than the original Apricot. Not only is it the only computer with 10 megabytes of memory under £3,000, but it is also transportable."

The Apricot xi uses a Winchester disk drive made by Rodine in Scotland.

BAe launches its new turbo-prop

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE PUBLICITY surrounding the UK Government's announcement last week of £250m launch aid for the British share of the new European Airbus A-320 obscured the announcement of another new aircraft that could be just as significant to the UK aerospace industry.

This is the Advanced Turbo-Prop (ATP), the 64-seater derivative of the best-selling 748 twin-engined turbo-prop airliner of British Aerospace (BAe).

British Aerospace, a public limited company in which the Government has a 48 per cent stake, has been working quietly for some time on the development of the ATP aircraft. It is designed to fly over short ranges (up to about 1,000 miles), linking small communities and serving as a "feeder" aircraft into bigger airports.

The 748 itself, a 50-seater, has fulfilled this role for many years – it first flew in 1960. Since then BAe and its predecessors – Hawker Siddeley Aviation and British Aircraft Corporation – have built 366, worth nearly £1bn in sales and spare parts.

The 748 is still in production today and will continue even when the ATP enters service. Throughout the world, however, many airlines have been looking for a rather larger aircraft, seating 60 to 70 passengers. It is to meet this market that BAe started studies for the ATP some time ago.

Many millions of pounds have been spent on initial design and development work, but the high cost of formally launching the ATP into quantity production – estimated at £100m – has made the BAe board cautious, especially with the cash needs of the A-320 Airbus looming on the horizon.

The UK Government's decision to grant £250m launching aid for the A-320, covering the initial years of that programme, has meant that the immediate pressure on BAe's funds have been eased, releasing cash for other ventures. The ATP is the first to benefit from this with a formal launch into production.

BAe will now start to cut metal on the ATP, with a first flight set for mid-October 1986 and first deliveries in September 1987. Contract negotiations with suppliers of parts and equipment have already started. Several airlines in Western Europe and elsewhere have shown considerable interest and the first orders are likely to be announced soon. The ATP will cost $8.8m each.

BAe estimates that the worldwide market between now and the end of this century will be for between 800 and 1,000 aircraft of the broad ATP category. BAe believes it can capture about a third of the orders.

The only competitors appear to be the recently-announced Dutch Fokker F-50 twin turbo-prop and the joint Franco-Italian (Aerospatiale and Aeritalia) ATR-42, both of which are still under development. They are smaller than the ATP but are capable of being extended to meet the UK venture head-on in world markets.

The ATP will show some major differences compared with the BAe 748. The most significant change will be in the engines. The Rolls-Royce Dart turbo-prop, which powers the 748, is being dropped in favour of a new U.S. engine, the Pratt & Whitney PW-124, which drives a six-bladed propeller. The propeller is designed jointly by British Aerospace's Dynamics group, in conjunction with Hamilton Standard of the U.S., an associate of Pratt & Whitney in the United Technologies group.

Other differences will be largely internal – a newly-designed flight deck including cathode ray tube displays in place of conventional dials, making life easier for the crew, and improved interior styling to make passengers more comfortable. The use of advanced materials, with the new engines, will give the aircraft improved fuel efficiency, low noise levels and a high profit-earning potential for operators.

The aircraft will be built in the Manchester factories of BAe at Chadderton, where parts will be built in jigs, and Woodford, for final assembly.

The work will safeguard the jobs of about 2,000 workers employed at those factories, although redundancies announced earlier will continue to take effect. It is not thought likely that the ATP will result in more recruitment, at least for the time being.

BRITISH AEROSPACE CIVIL AIRCRAFT
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	Seats
125 Series 800 business jet	5–10
Jetstream 32 turbo-prop flight transport	18–19
Super 748 turbo-prop airliner	44–52
ATP turbo-prop airliner	64–72
146 four-engined jet	82–109
A-320 Airbus narrow-body	150–180
A-310 Airbus wide-body	190–252
A-300 Airbus wide-body	220–345

Nevertheless, BAe foresees the ATP staying in production for the rest of this century alongside the smaller 748, for which sales are expected to continue, although at a low level. More significantly, BAe believes the ATP will be complementary to its larger four-engined regional jet aircraft, the 146, which seats 80 to 109 passengers.

The announcements of the A-320 and the ATP effectively complete BAe's spectrum of civil airliner activities for the rest of this century. This group of aircraft involves an investment of well over £1bn in civil airliner development and manufacture. It puts BAe at the top of the world league for diversity of airliner types.

No other manufacturer, including Boeing, the world's biggest jet builder, has such a variety of airliner types under production.

Stock Exchange reviews services

By John Moore

PENSION funds, insurance companies, unit trusts, investment trusts and other major users of the stock market have been invited by the London Stock Exchange to discuss the type of services they would like to see in the British stock market once minimum commissions on share transactions are abandoned.

The stock exchange is understood to be carrying out its survey through the market's committee. It is to examine such issues as whether users of the market would prefer to pay for research services of stockbroking firms rather than receive them as part of the total service offered by brokers.

At the centre of this issue is a consideration of the commercial pressures that stockbroking firms are going to face once the fixed scales of commissions are abandoned.

The stock exchange has said that the scales will be abandoned on a single date – but not before autumn next year.

The stock exchange is discussing with the major users the problems which will arise once negotiated commissions are introduced. Of particular concern to brokers is the cost of their research services, which will have to be met from possibly reduced funds as competitive pressures mount.

The stock exchange council is expected to receive at its next formal session reports prepared by Mr Patrick Mitford-Slade, who heads the market co-ordinating committee – which is studying the implications of changes in the market – and Mr Charles Eglington, who heads the constitutional co-ordinating committee which is studying the implications of the new representation required in the stock exchange's government.

The Council for the Securities Industry meets next week to consider its future role in the regulation of the City following the publication of the report on investor protection prepared by Professor Jim Gower, the Department of Trade and Industry's legal adviser. Prof. Gower recommended sweeping reforms of the self-regulation in Britain's financial community.

Laker judge warned of harming British link

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE U.S. federal judge handling the $1.1bn anti-trust claim by the liquidator of Laker Airways has been cautioned against taking any steps that might further aggravate relations between the U.S. and UK courts and governments.

The advice has come from Mr Stephen Pollak, a distinguished Washington lawyer appointed by Judge Harold E. Greene to advise him on what action he should or could take in response to what the judge has stigmatised as "premature and improper" orders made by the UK courts in the Laker litigation.

The Laker liquidator, Mr Christopher Morris, of Touche Ross, has sued British Airways (BA), British Caledonian (BCal) and a number of U.S. and European airlines, alleging that they conspired to destroy Laker Airways.

His case includes an allegation that the defendant airlines breached the U.S. anti-trust Sherman Act, *and if the claim succeeds* BA and BCal could face triple damages.

What upset Judge Greene was the British Court of Appeal's ruling last summer that Mr Morris must not continue the anti-trust action against BA and BCal.

The three British judges took the view that British Government directions to the two UK airlines under the 1980 Protection of Trading Interests Act had made the issues between Laker *and the airlines in* the U.S. action "wholly untriable."

The airlines were directed not to supply documents from the UK to the U.S. Court and not to comply with any anti-trust judgment.

Judge Greene, who has shown himself determined to assert his court's primacy in the Laker litigation, will not find much ammunition in the advice he has got from his independent adviser.

In a dense, legalistic, 88-page report, Mr Pollak adopts a cautious approach to the complex legal and inter-governmental problems, and the burden of his advice is that Judge Greene should not take any precipitate action.

His tentative conclusions are that:

- There is no U.S. legal precedent for appointing someone to take over *the Laker action against BA and* BCal;
- U.S. public interest in deterring and punishing violations of the Sherman Act is protected by the U.S. Justice Department's grand jury hearing;
- Laker's interest may be protected without having BA and BCal as defendants in the anti-trust action;
- The injunction against Laker may be overturned when Britain's House of Lords hears Laker's ap*peal in June.*
- The judge should do nothing that might "create or aggravate an impasse with foreign courts or governmental agencies."

Mr Pollak says that American law does not provide for the appointment of a legal guardian to act for a corporation.

Even if a guardian were appointed, and won the case, it is unlikely that Laker could accept payment under any judgment without breaking the UK injunction.

Substituting a guardian for Mr Morris might trigger more restrictive UK orders or regulations.

Mr Pollak said: "The result could be a total ban on Laker proceeding against any of the defendants, or an expanded blocking order crippling even further any efforts that might be made by Laker or a guardian, *and further handicapping the vindication of* any public interest served by this law suit."

Mr Pollak observes that Laker might be able to get a satisfactory result by suing only the non-UK defendants, in which case there would be no need to reconstitute the case against the UK airlines.

Cost of becoming British to be cheaper

BY GARETH GRIFFITHS

THE HOME OFFICE is to cut the *cost of becoming a British citizen* from April 1 after sharp criticism of existing fees by a House of Commons committee.

The department has also increased the number of civil servants who process applications by 14 to 283 and *cut back on police investigations of those apply*ing for British citizenship.

Most fee registrations for British citizenship will be reduced from £70 to £55. The fees for two parents and two children taking out citizenship will *fall* by 29.5 *per cent from £305 to £215.*

Not all the fees, however, will be lower, and for some categories there will be increases. The *fee* for a child under 18, for example, goes up by 57 per cent from £35 to £55. The 10 per cent of applicants who are unsuccessful will now *have to forfeit £10 to the* Home Office.

Applications for British citizenship surged in 1982-83 because of worries about the British Nationality Act, which came into *force* on January 1 1983. *During* 1982-83, there were 98,000 applications, compared with an average annual intake between 1978 and 1981 of 52,000. Some 80 per cent of the applications come from citizens of other Commonwealth countries.

The Government's approach to *applications for citizenship* was criticised by the Commons' home affairs committee last May. It said that the Home Office was making a profit on the scheme.

The Home Office rejected this in a reply published yesterday. It *said a loss of £0.27m was forecast* for 1983-84 on a budget of £4.88m. Next year *the budget is* expected to increase to £4.8m.

The period that it takes for British citizenship to be granted, once an application has been made, is becoming shorter. It now *takes* an average of *20* months for naturalisation of foreigners compared with 25 months in 1979. It takes about 11 months for people from the Commonwealth.

Diplomats' houses to be sold in savings drive

FINANCIAL TIMES REPORTER

PLANS for the disposal of some of Britain's overseas accommodation for diplomats were announced by the Foreign Office yesterday, in response to a demand for savings from the influential House of Commons Public Accounts Committee.

But the Foreign Office did not accept criticism that in providing diplomatic accommodation, too much *emphasis was given to "prestige* tradition" and not enough to meeting contemporary diplomatic needs. The department was replying to last year's report from the committee which examined the scope for economy in the managing of home civil service property, as well property under the control of the Ministry of Defence and Foreign Office.

The committee report noted the results of town surveys by the Government's Property Services Agency.

These considered that three properties in particular – a house in Nairobi, the high commissioner's residence in Singapore and the ambassador's residence in Vienna – were not cost-effective.

The Nairobi house was said to be 52 per cent over scale, the high commissioner's house 69 per cent over scale and the ambassador's house "grossly over scale."

In its reply, the Foreign Office said that in Nairobi a suitable, smaller house was actively being sought. The market was difficult and several smaller houses were rejected because they could not produce net savings. A second house recommended for sale had been sold and a third would be placed on the market in October.

Foreign Office ministers have decided to retain the high commissioner's residence in Singapore. Its running costs compared favourably with other residences but would be closely monitored.

Ministers had also decided that the Vienna embassy should be developed on a single site. Offices would be built on two building plots in its gardens, achieving both economy and efficiency and allowing rented offices to be vacated.

The possibility of putting part of the residence to office use would be examined. The Foreign Office said that rent ceilings had now been reintroduced in Vienna.

Ministers had decided that the high commissioner's *flat* in Melbourne should be given up in April this year.

Two houses in Canberra had been sold. One would be placed on the market this year, two in 1985 and one in 1986, while the remaining four would be retained for operational reasons.

MPs start to assess impact of the 'Oman affair'

By Peter Riddell, Political Editor

IS THE Oman affair beginning to damage Mrs Margaret Thatcher? This question is now being asked at Westminster, even by Tory MPs who feel that the Prime Minister has done nothing wrong.

That this suggestion could even be made will no doubt infuriate Downing Street and its defenders, who argue that the whole affair has been got up by – and sustained by – the press and exploited by the Labour Party to damage the Government.

The issue involves a £300m contract won in Oman by the UK company Cementation, for which Mr Mark Thatcher, the Prime Minister's son, acted as a consultant. The controversy arose when the Observer newspaper disclosed that Mrs Thatcher and her son had met in Oman in 1981, at a time when the award of the contract was being discussed with the Oman Government.

The political question is not whether Mrs Thatcher behaved correctly. The point is whether the criticisms, right or wrong, have had a political impact.

Comparisons are being drawn with similar apparently peripheral affairs in previous *administrations*, such as the spy scandals and Home Office rows of the early 1960s. None was of enormous significance in itself, but together they became damaging when coupled with other signs that the Government was losing direction and making mistakes over more substantive issues.

The question in these affairs, as now, was not that the then Prime Minister, Mr Harold Macmillan, now the Earl of Stockton, had necessarily behaved wrongly, but that *his* judgment was faulty in the subsequent handling.

Similarly, at present, even Mrs Thatcher's strongest detractors do not accuse her of dishonesty. The charge is much more an allegation of over-indulgence to a son by *not* ensuring that he distance himself from anything to do with the Government.

Mrs Thatcher has been firm in her refusal to discuss the business affairs of her son, arguing that it is his private matter. She has also *said that during her visit to* Oman in 1981, she did not raise the issue of any individual companies which might have been interested in any aspects of the contracts.

Critics have pointed to apparent ambiguities about what Mrs Thatcher knew or said during her visit. She has been forced to produce a number of answers in response to persistent questioning in the House of Commons.

The significant point has been that, to many people's surprise, the affair has not petered out after nearly eight weeks.

Mrs Thatcher and Conservative MPs blame certain newspapers and Labour for the affair's continuation. Yet the involvement of Mr Peter Shore, the Shadow Leader of the Commons, cannot be dismissed as either sensationalsism or merely political opportunism. He is a deeply serious man – a moralist in politics – who believes that the Oman affair raises fundamental constitutional issues of how a prime minister should behave.

Conservative MPs generally have supported Mrs Thatcher, although a number of them privately believe that the Prime Minister would have been better *advised politically* to have made a full Commons statement at the start. They suspect that the affair may have begun to damage her.

Several MPs who canvassed during the recent Chesterfield by-election have reported unfavourable *comments over the affair. It ap*pears that Mr Mark Thatcher is very unpopular with the public, often being regarded as a playboy exploiting his mother's position.

Some members fear that some of the mud may now be sticking. A MORI opinion poll in last week's Sunday Times showed that 48 per cent of voters believed that Mrs Thatcher had made a bad job of the "Mark Thatcher controversy," while only 25 per cent thought she had made a good job of it.

This is much lower than her general rating. The same poll showed that nearly a half of voters thought that Mrs Thatcher was dictatorial and talks down to people.

The most obvious impact has been on relations between Downing Street and the press, as in previous affairs 20 years ago. Although so far there has been nothing like the open breach of 1962-63, there is no doubt that Downing Street advisers of Mrs Thatcher are very angry over the affair and have become increasingly sensitive towards sections of the press. But this has been the pattern with all governments as they have been forced on the defensive in their second terms.

Mr Roy Jenkins

Call for new money system

By Philip Stephens

Mr Roy Jenkins, the former President of the European Commission, yesterday renewed his call for the Government to take sterling into the European Monetary System (EMS).

Speaking at Brunel University, Mr Jenkins said full British membership of the EMS should be a precursor for the establishment of a new system to stabilise the world's major currencies.

A decision by Britain to join the EMS could pave the way for serious negotiations between Europe, the U.S. and Japan to set up a system of currency target zones.

Each block would maintain its currency within fixed upper and lower limits, with these parameters occasionally changed to reflect medium-term changes in relative competitiveness.

Mr Jenkins said such a scheme would maintain the competitive position of one economy against another, without short-term movements which were devastating to investment decisions.

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Motor agents want greater EEC protection

BY JOHN GRIFFITHS

THE EEC Commission will be urged by the Motor Agents Association, which represents the retail trade in the UK, to further strengthen the position of car dealers relative to the manufacturers and importers who supply them.

The MAA has welcomed a draft regulation from the Commission endorsing the franchised dealer system, due to become effective next, January 1. It exempts the motor trade from rules against restricting competition on the grounds that motor vehicles need specialised maintenance, repair and after-sales service.

It also makes several proposals for a "more equitable" relationship between suppliers and dealers.

The regulation does not go far enough towards protecting the interest of dealers, the MAA argues.

The regulation recommends that dealer agreements should be for at least five years, or where they are for an indefinite period, provide at least two year s notice of termination by either side.

In partly supporting these proposals, the MAA said yesterday it could think of only three suppliers – BMW, Mazda and Vauxhall – who offered five-year agreements, while many dealer agreements in the UK provided for as little as three months' notice.

It rejects the EEC view that either party to an agreement should also be obliged to pay compensation to the other in the event of termination for other than valid performance reasons, and that a dealer should have to provide a similar length of notice as a manufacturer.

It is far easier for a manufacturer to find a new dealer than vice versa, argues the MAA.

Other points in the MAA's proposed dealers' charter:

- No appointments of extra outlets in a territory without existing dealers' consent;
- No "downgrading," for example from distributor to retailer, without the dealer's written consent;
- All vehicle sales to be channelled through the established dealer network, with no exceptions for fleet sales.

The MAA also declares that the Commission's proposed "12 per cent rule" – which will force car makers to supply unofficial "parallel" importers with cars if prices differ by more than 12 per cent within individual EEC states for more than six months – requires "more consultation."

At the very least, it says, safeguards should be introduced to ensure that any unofficial outlets are bona fide motor dealers. It also urges a three-year "transition" period before the rule becomes fully effective.

The MAA and other interested bodies now have several months to convince the Commission that changes are needed before the regulation takes final form.

How Peugeot put Coventry back on the map

Arthur Smith assesses the impact of a £20m French investment in Talbot

NOTHING offers a more haunting reminder of the former glories of Coventry as Britain's number one car city than the Ryton assembly plant – the main beneficiary of a £20m investment announced on Tuesday by Talbot, the UK subsidiary of Peugeot of France.

The long, low white complex of buildings seems to stretch endlessly to your left as you travel on the main London road into Coventry. There is still that exciting smell of freshly sprayed cars.

But the Coventry you are entering is eerily different from the city of less than a decade ago. Unemployment has jumped to more than 15 per cent – nearer 22 per cent if you accept the calculations made by the Labour-controlled city council of the numbers of "hidden jobless."

The big names have taken a tumble: toolmakers Alfred Herbert, the Meriden motor cycle co-operative and lately the troubled John Brown machine tool operations embracing well known firms such as Webster and Bennett. BL's former Triumph factory at Canley, which once boasted one of the biggest car assembly operations in Europe and a labour force of more than 11,000, is down to less than 2,000

Similarly, Ryton, once the home of famous British cars such as the Hillman Minx and Singer Gazelle, Alpine and Rapier, now has that somewhat tawdry and underused look. In 1975, the then Chrysler group employed 30,000 nationwide and 4,226 at Ryton.

The present Talbot has a mere 5,492 employees in the UK, of which Ryton accounts for 1,400. But as the jobs have withered so has the union militancy of the Coventry car worker.

The city still has to live with an image caused by the possible excesses of the prosperous 1950s and 1960s. But Talbot, in justifying new investment, was able to direct the attention of its Coventry workforce. Total disruptions accounted for less than one day's lost production year – a year which the company claims saw its quality index improve by 32 per cent.

A new style of assertive management has raised productivity from 25 cars per employee in 1979 to 41 cars last year. Nor have national union leaders blanched at the productivity implications of the latest investment proposals.

The new family of cars – codenamed the C28 – will go into production towards the end of next year at the rate of 750 cars a week. They will supplement the Horizon, Alpine and Solara models currently being built at the rate of 650 a week.

Undoubtedly the C28, which falls between the Horizon and Solara, will capture some of the market from other Talbot models. But the company, nevertheless, is looking to almost double output with virtually the same labour force.

The key to the acceptability of such a deal to the trade unions will owe much to the market place: not only whether the management can deliver its sales forecast, but also how effective its investment proves to be.

Talbot is directing its spending towards automating the labour-intensive body assembly area and introducing robots into the paintshop. "We have never objected to such labour saving investment on a rising market – and that is what Talbot is offering," one union leader commented.

There was no mistaking the relief in Coventry at the announcement of the Talbot investment. But the joy is relative. The unthinkable had almost become thinkable last year, when Peugeot announced the closure of the Talbot design and engineering centre on a 90-acre site at Whitley, near to the city centre.

The move caused consternation within the city and prompted the British Government to issue warnings about continuing the £28m loan outstanding to Peugeot.

Such obstacles have clearly been overcome and Peugeot has convinced the government of its commitment to the UK.

Union leaders, while welcoming the new investment at the Ryton assembly plant, still expressed private misgivings about the longer term future of Coventry's Stoke engine plant. Nearly 2,000 of the 2,600 workers are involved in supplying export kits for assembly in Iran.

Mr George Turnbull, the Talbot chairman, insisted that Iran offered a good, solid business that would continue for a number of years. He said about 87,000 kits, worth more than £100m, were exported last year. He forecast sales this year would be higher and that there was a potential export market of £150m a year.

Union leaders, nevertheless, remain sceptical about the future of the Iran contract, given the political uncertainties – exacerbated by the Iran-Iraq war.

The Talbot order has given an important boost to a private sector initiative to regenerate employment in the city, according to Mr Brian Willis, director of the Coventry Chamber of Commerce. He said a study by the Confederation of British Industry had "touched a chord" within Coventry and that the Chamber of Commerce was working with other bodies to mobilise energies.

He underlined that the unemployment problem in Coventry was structural. The city was over-dependent upon a handful of major employers. There were no medium-sized companies of significance.

The latest initiative, prompted by Mr John Egan, the energetic chairman of the Jaguar car firm and Mr Bill Ashton, director of Dunlop Engineering, was in its early stages but ought to encourage growth within the local economy and attract companies from outside.

Fires settlement attempt fails

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

AN ATTEMPT to settle out of court a multi-million pound insurance dispute arising out of bush fires that ravaged parts of Australia a year ago has failed.

Mr Justice Lloyd was told in London yesterday that the two days of negotiations he had allowed the parties had not been successful. The judge has resumed the hearing which, unless more settlement moves are made at a later date, is expected to last into the autumn.

The out-of-court talks came after the judge said he was concerned about the effect of the case on the London insurance market. "There ought to be ways in which such disputes can be settled which do not involve immensely long cases being fought in court," he had said. The hearing is now in its seventh week.

Apart from the expense – between £80m and £90m is riding on the case in claims and legal costs – the judge has been worried by the discovery that "names" in the Lloyd's syndicates involved seem to be engaged in a battle they cannot win, whatever the outcome of the litigation.

Underwriters who insured the State Electricity Commission of Victoria (SECV) are doubly exposed, because they also insured the SECV's broker, Sedgwick, under errors and omissions policies.

The insurers contend that the SECV policies are void because they were misled by Sedgwick about the extent of the risk.

Nuclear waste flask survives 30mph crash in safety test

BY DAVID FISHLOCK, SCIENCE EDITOR

FORTY-EIGHT tonnes of stainless steel fell with a dull thud, bounced a few inches and oozed a wisp of water vapour, as the Central Electricity Generating Board (CEGB) dropped one of its nuclear fuel flasks from a nine-metre tower.

Senior CEGB executives, led by Sir Walter Marshall, the chairman, looked relieved. The test fall – designed to simulate a 30 mile an hour collision – put maximum stress as intended on the flask's bolted lid, and it survived unscathed.

"A good drop," said Mr Bill Burns, manager of the CEGB's structural test centre amid the limestone cliffs of Cheddar in western England. Had the flask fallen slightly askew, it could have damaged the rig. He was much less worried that the flask might have sprung a leak.

The fall, which cost the CEGB £1m, was carried out to reassure the public that the flasks – designed for carrying highly radioactive spent nuclear fuel from Magnox power stations – could not break open in an accident during transit.

Sir Walter said he was pleased with the demonstration. It was, he said, "the first time the CEGB has done a public experiment in real time." The board will conduct a series of tests, for which it has allocated £4m, and which will include later this year a staged rail crash at 100mph. Sir Walter admitted to mixed feelings about the tests. "They are not scientific," he said.

The tests are being paid for not from the CEGB's £100m-a-year research and development budget – because they add almost nothing to its knowledge of the behaviour of its flasks in a crash – but as part of its nuclear engineering activity.

Nowadays, Sir Walter said, society expected one to prove things not by careful engineering and thought, but by demonstration.

Internationally recognised regulations for flasks transported by road, rail and sea require tests on scale models. The British nuclear industry has carried out many at the Cheddar test site and elsewhere.

For the first full-scale test, it used a production line flask made from stainless steel of nuclear pressure vessel quality, forged by Sheffield Forgemasters. Normally this flask would carry three tonnes of spent fuel.

It fell onto a thick, steel anvil, backed by reinforced concrete, equivalent to a solid mass weighing 2,000 tonnes – "the nearest thing we have got to an immovable object," Mr Burns said.

The flask was angled to drop in a way which model tests had shown would exert the greatest force in an effort to prise loose the seven-tonne lid and release a tonne of water.

To make things more difficult, the flask was pumped to a pressure of 100 lbs per sq.in., although normally it would be used at much lower pressures.

The CEGB said that "no CEGB flask has ever been involved in an accident of any significance." At the present frequency of railway movements, it puts the statistical chance of a flask being involved in a railway accident at one in 10,000 years.

"The most expensive media event of all time," is how Mr John Baker, board member for commercial affairs, sees the test series.

Pollution survey finds cleaner environment

FINANCIAL TIMES REPORTER

THE BRITISH environment is continuing to improve – for humans at least – according to a survey of pollution just published by the Government.

While the quality of the air and rivers is getting better in human terms, however, the animal population is having a less comfortable time. A quarter of the UK's land-breeding mammals are listed as endangered or vulnerable, along with 33 per cent of reptiles and amphibians and 12 per cent of the country's known species of bird.

Latest figures from the Department of the Environment (DoE) claim that in 1982 sulphur dioxide emissions were down at the levels prevailing in the early 1940s. The amount of smoke puffed into the atmosphere has fallen 80 per cent since the early 1960s, the DoE adds.

The quantity of lead pumped out of vehicle exhausts has also dropped 20 per cent since 1973, despite a 14 per cent increase in petrol consumption over the same period.

Only about 8 per cent of Britain's rivers – by length – are now classed as "grossly polluted" or "of poor quality," compared with 14 per cent in 1958. This improvement is marred, however, by a doubling over the past 20 years in the concentrations of nitrates in waterways. Intensive arable farming is probably to blame through its increasing use of nitrogen fertilisers.

Disposal of sewage sludge as landfill material or soil nutrient has decreased in the last few years. The sea, however, is gaining favour as a dumping ground. Of the 1.2m tonnes (dry weight) produced each year, about 30 per cent is now being disposed of at sea compared with 23 per cent in 1975.

Monitoring of radioactive discharges showed that there was little change over earlier years, although the area including the sea around Sellafield, site of the Windscale nuclear plant, suffers the highest concentrations.

Digest of Environmental Protection and Water Statistics No 6, HMSO, £7.50.

Labour puts weight behind Vredeling draft

By Our Industrial Editor

THE LABOUR PARTY yesterday strongly attacked the Government's opposition to the European Commission's draft legislation on employee consultation and democracy – the so-called Vredeling and Fifth directives.

Mr Robin Cook, the party's spokesman on Europe, strongly supported the efforts made by Mr Ivor Richards, the EEC's Social Affairs Commissioner, to push through the legislation. Mr Cook's endorsement will be seen as countering earlier reports that he wished to see Mr Richards – a former Labour MP – replaced by another Labour nominee.

Mr John Smith, Labour's employment spokesman, said the party would not submit evidence to the Government on Vredeling because the consultation process over the draft legislation was "bogus."

He said the Government had used the consultation exercise "to provide excuses as to why these measures should not be implemented."

CONTRACTS

British Rail places over £9m orders

British Railways has placed contracts worth over £9m with six private sector companies. They are GEC TRACTION (£3.8m) for the supply of electrical power equipment for new commuter trains on Great Northern suburban services; THERMIT WELDING (GB) (£3.4m) for materials and equipment for on site welding of track rails; ESSO PETROLEUM, SHELL UK and BP OIL (£1.1m shared) for the supply of DERV for road motor vehicles; and MICRODATA INFORMATION SERVICES (£1.1m) for computerised property management system.

*

J. WIMPENNY & CO, Huddersfield, has won contracts worth over £3.7m, including design, management and construction of the new NEGAS combined service centre at Halifax. Wimpenny has five awards ranging in value from £400,000 to £700,000. At Burnley the £500,000 second phase of National Provincial Building Society's computer centre's extensions to the Carter and Parker, Wendy Wools Mill at Guiseley and to the Nuffield Nursing Home in Huddersfield; a £400,000 Children's Home at Lindley and a £500,000 development of lettable industrial units under separate contracts with Kirklees Metropolitan Council and Kirklees Development Company.

*

MOWLEM NORTHERN has won contracts in the north-east worth more than £2.75m. Largest is at Durham for a kitchen block and reinforced concrete underground culverts for new steam and condensate mains at HM Prison Durham. Work involves fitting out the kitchen. The contract, worth £1.27m, is for the Home Office Prison Department and is due for completion by April 1985. The other contracts are for land reclamation.

At Scotswood Road, Newcastle-upon-Tyne, Mowlem is undertaking a project for Tyne and Wear County Council worth £561,000. Work involves excavation and disposal of 85,000 cu. metres of spoil, land drainage, construction of stone walls and accommodation works in preparation for the future dualling of the road. Work is due for completion in December.

At Palmers Hill Shipyard, Tyne and Wear County Council has awarded a contract worth £351,000. Near Chester-Le-Street Durham County Council has awarded a £259,000 contract for land reclamation of a former colliery waste heap at Waldridge Fell for completion in August.

*

A £1.2m contract to build a swimming pool and office extension has been awarded to RUSH AND TOMPKINS by Pontins at Brixham, Devon. The contract is for completion in 16 weeks. The northern region has three contracts totalling £806,500. The largest is an advance factory at Alnwick for English Estates. The £290,000 project includes external and general site development work.

*

All-wool blankets and wool blend carpets have been specified for the new P&O cruise liner, the 40,000-ton Royal Princess. Three companies—CHARTERWEAVE, TANKARD CARPETS and BMK—are among British companies who have won orders totalling more than £5m for a range of technical equipment and furnishings for the liner, which is under construction in Finland for delivery next autumn.

BUSINESS LAW

Law reform: the problem of parliamentary time

By A. H. HERMANN, Legal Correspondent

THE FIVE Law Commissioners and their full-time legal staff of 22 were given, in 1965, a gigantic task: "to keep under review all the law . . . with a view to its systematic development and reform, including in particular the codification of such law, the elimination of anomalies, the repeal of obsolete and unnecessary enactments, the reduction of the number of separate enactments and generally the simplification and modernisation of the law. . . ." Anyone given such a job and quite inadequate means for achieving it is bound to find a practical way out by selecting a few limited objectives which can be accomplished.

The 18th Annual Report of the Law Commission† published last week, no longer mentions the codification of the law of contract which was one of the Commission's early ambitions, nor any other codification. It has concentrated its limited resources on a few special problems and on a programme of consolidation of statutes.

This year Parliament is expected to give its blessing to the consolidated Companies Acts containing 713 clauses and 23 schedules, accompanied by two or three smaller Acts on separate and transitional matters. As a result, it will be much easier to find what the company law is. Other consolidation Bills in preparation would facilitate finding what the law says on capital transfer tax, housing, road traffic and building control, to name but a few.

After nearly 20 years the Law Commission is still in the state of someone moving into a house where the previous occupants had been accumulating rubbish for hundreds of years. The debris has to be cleared before the house can be refurbished.

In its effort to make statute law accessible, the Commission is engaged in compiling a complete list of the local, private and personal Acts passed at Westminster since 1539. The text of the tables so far prepared runs to nearly 800 pages, starting with an Act of 1627 affected by legislation passed in 1948 and 1956. "It is work that should have been done 100 years ago," states the Commission. Similar historical research into what is a form of legislation, though not necessarily always printed, has been recommended by a British Library working party to whom the Law Commission suggested a national collection of local statutory instruments and orders.

Business law commands only a fraction of the Law Commission's resources. Most of its projects are in the field of criminal, family and property law, but it has done much work on the legal relationship of landlord and tenant and on private international law (including some matters of great importance for business). It exercises a critical and sobering influence on EEC legislation and on projects of international conventions.

THE LAW COMMISSION'S OUTPUT

1982-83

- Law of contract—money back on breach (No. 121)
- The incapacitated principal (No. 122)
- Offences against public order (No. 123)
- Foreign money liabilities (No. 124)
- Land registration (No. 125)
- Positive and restrictive covenants on land (No. 127)

WORKING PAPERS

- Sale and supply of goods
- Chancel repairs

The Law Commission has for a long time suffered from the reluctance of British political parties to turn their attention to law reform and to business law in particular. British politicians seem to think that business law is boring and best left to the professionals. Consequently, its badly needed reform has a very low priority when it comes to the allocation of parliamentary time.

It is hardly surprising that, operating in such a political vacuum, the Law Commission had to abandon most of its ambitious projects of reform and codification: both its meagre budget and the wishes of its political masters reduce it to designing patches to cover up the holes in the system which are so prominent or embarrassing that even politicians notice.

Some of the repairs in the business law structure have become so urgent in recent years that governments had to take action, though they referred the work to special committees or individuals rather than to the Law Commission. There is hope now that the Cork Committee's proposal for the reform of the law of insolvency, Professor Gower's proposals on the securities industry and a clipping of the conveyancing monopoly will receive some parliamentary time.

This experience leads to the conclusion that the Law Commission, instead of dealing with sectional problems only, should assume the function of the intellectual centre of law reform. Obtaining the necessary consensus of those directly affected by the reform projects, co-ordination with other governmental work and the assessment of what is politically possible could well remain the task of legislative divisions in the government departments concerned. But these should also take over the work now done by parliamentary counsel.

If the drafting work were transferred to those most directly concerned with the aims of the legislation, the present obscure and complicated way of drafting might be abandoned so that statutes and statutory instruments could actually be understood by those who are expected to comply with them. This would enable judges to accelerate the trend towards a method of interpretation which lays greater emphasis on the legislator's intention than on the grammar of the text in which this is expressed.

Upgrading the Law Commission and the creation of legislative divisions in government departments could help to produce better Bills. But that would still not secure parliamentary time for that part of business law—the business lawyer's law—which pervades all departmental and sectional interests and is sponsored by none. This could be made the concern of a legislative division in a ministry of justice or in a legislative department to be created in the Lord Chancellor's Office and headed by a minister sitting in the House of Commons.

The reform of business law by Parliament is much needed, but is not by itself enough. Some important business regulations become part of UK law by being enacted in Brussels, or as decisions of the European Court. Though EEC legislation is now scrutinised by a Select Committee, it does not receive the public airing which a UK Bill undergoes in the course of a second reading in Parliament. Too much of the preparatory work is done between officials of various member countries behind closed doors, and the same applies to commercial pacts with other countries, negotiated either directly or through the EEC Commission.

This important branch of legislation through Brussels or by means of international pacts could be brought into the open only by parliamentary committees requiring earlier and greater disclosure from civil servants and publicising it—or by a freedom of information act giving the citizen access to the preparatory papers exchanged with Brussels or foreign powers.

† *Law Com. No. 131, SO £5.10, pp 58.*

JOBS COLUMN

Why headhunters don't pay for nominations

BY MICHAEL DIXON

KERFUFFLE if not brouhaha has been provoked by this column's comments a fortnight ago on the approaches made by executive-search consultants to managers. The main bone of contention is the claim put forward by an anonymous reader who is often contacted by such headhunters and asked if he could recommend somebody suited to a job they are trying to fill on behalf of a client employer.

The reader pointed out that if he nominated someone and so first drew the headhunters' attention to the person who eventually got the job, then he would be helping the headhunters to earn their fee. In that case, he claims, it is only reasonable that the person who first recommends a successful candidate should in turn be paid a fee by the headhunter.

But although the same reader has several times offered a deal on those terms to headhunters who have approached him for a recommendation, none of them has ever been willing even to discuss it. Why not?

One of the suggested answers comes from recruitment consultant and noted choral singer Bernard Baboulène, not least because the question is germane to something which has been getting up his nose for years.

He says it would be breaking the law if a fee were paid to a lay manager such as the aforementioned reader for first recommending the person who eventually got the job. "The Employment Agencies Act 1973 forbids anyone to recruit for third parties for payment unless he is a licensed employment agency."

Hence the cause of Mr Baboulène's long-standing annoyance.

For despite the 1973 Act, he adds, "you have only to open almost any paper at the jobs pages at any time to see that this law is being flouted wholesale by people (he presumably means recruitment consultants who are not licensed employment agencies) who would not dream of running an unlicensed pub or taxicab."

So whatever public-spirited recruiters who have registered under the Act may be getting in return for the £114 annual licensing charge, it is clearly not protection from what Bernard B calls "piracy." The Department of Employment, he feels, should get up off its bureaucratic bottom and enforce the law.

As it happens, however, I have just been in touch with the Department of Employment. It assures me that there is nothing in the regulations to forbid payments to anyone, lay managers included, for putting forward successful job candidates.

The effect of that denial on Mr Baboulène and other licensed headhunters would seem to be to take away even that little which they thought they received from the Act. Perhaps they should get up off their own, now further frustrated fundaments and try to do something about it.

Other executive searchers have a different response to the idea of paying contacts who recommend eventually successful candidates. Take for example the words of Michael Wood of Search and Assessment Services:

"We receive our fee from the client company for conducting 'an assignment' which includes a great deal more than just finding one candidate. It includes, for instance, a survey of the industry or market in which the client operates, and an analysis of the existing management team, often with advice on the best way to use that team to the future benefit of the company, all of which requires a wide range of skills, knowledge and contacts—and many hours of hard work.

"Naturally each piece of information that we obtain from our sources is valuable and much appreciated. But equally, the contact with us may in turn be helpful to that source. One day he, too, may be be in need of a job or advice, and my door is always open. Indeed I sometimes think I spend as much time giving free advice as I do earning my fees."

Of several others who take the same attitude, Ian Ashworth of Ian Ashworth and Associates goes on to say that it is "astonishing" how many managers respond to headhunters' approaches by recommending their bosses as potential candidates. "Ambition is clearly not a function of the British social fabric," he adds.

Well, perhaps so. But then again, perhaps not. The tendency for people to exalt their boss's claim to a new appointment above their own pretensions, might not really be a sign of low personal ambition as Mr Ashworth concludes.

I can't help recalling a remark made by a typically cunning accountant called Alan Ward almost 30 years ago when we were washing our hands side-by-side in the palatial, marble-walled lavatories of the old Metropolitan Vickers head office at Trafford Park, Manchester.

On the marble in front of us and on each of the other walls as well was a printed notice. "Any employee damaging this surface will be instantly dismissed," it declared.

Nodding at the notice, Alan Ward said: "So there's certainly no problem in getting promotion here." And when he saw that I hadn't understood, he went on: "You just nip in here when there's nobody else around and scratch your boss's name on the marble. Then he gets thrown out and you get his job."

Doesn't warmly recommending your boss as a candidate to headhunters boil down to pretty much the same thing?

Oldies hit back

MACHIAVELLIAN Mr Ward—among other accountants also of about the same age as me—might be cheered by a report just received from recruiter John Courtis. Anyone needing to fill an accountant's job, he says, should know that there are now "some remarkably competent and lively candidates aged 50 to 60 available at much the same salary as those 25 to 30 years younger, but offering more experience and more stability.

"In many of the cases the willingness to compromise on salary stems from redundancy and recent relief from mortgage repayments or the costs of raising children, *not* from mediocrity. In one recent exercise the volume and quality of response at an advertised salary of £15,000 compared very favourably with that for concurrent jobs at £20,000 to £25,000 for people aged 35 to 45."

But, surely illogically, Mr Courtis himself cites an age bracket of 26-35 for the unspecified number of qualified accountants he seeks to work as management consultants from the London, Manchester and Birmingham offices of Arthur Young McClelland Moores.

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Persil — high kicks, low suds

BY FEONA McEWAN

THAT COLOSSUS among washing powders, Persil, has been drawing a lot of attention to itself lately, not all of it welcome. First there was the sensational commercial from J. Walter Thompson to launch the new formula Persil (New System Persil Automatic), a high performance version descended from its parent Persil Automatic.

With its energetic song and dance routines, high kicking showgirls, and rousing Buddy Holly tunes staged in a lab where technicians have just discovered the new product, it broke new ground on the creative front (see illustration).

But the very success of the commercial now looks like backfiring, at least to some extent. Persil, first launched as a soap powder in 1909 and with one of the best images for caring and gentleness, now finds itself in the unaccustomed position of being under fire.

Some 700 complaints of skin irritations from users of the new product are currently being investigated by a medical team at Lever Brothers, which invited reports from consumers. Of these only about a dozen, according to Lever, were severe enough to be referred to a skin specialist. Of the reported 5,000 letters received, "a very significant number had no problem at all but were anxious, some were delighted with the product, some did indeed have irritations and some were responding to a nationwide Press campaign inviting consumer response," says Fred Lewis, public relations officer for Lever.

This critical attention is not only unfamiliar to Persil but especially embarrassing at a time when it is seeking to revamp the image it presents—a step which other washing powder brands also appear to be adopting.

"Washing powder manufacturers are at last catching up. More and more of them are recognising women as intelligent members of the human race and not moronic fulltime washers of children's underpants."

This comment from Jeremy Bullmore, chairman of J. Walter Thompson, and Persil's pusher for over 40 years, sums up what some observers see as the distinct change of accent in those ads we love to hate.

With their synthetic women whose idea of fulfilment is a more dazzling shade of sock, and whose thrills are measured in degrees of gentleness, softness, brightness and whiteness—and that's just the clothes—such ads have done as much damage to the adman's image as they have to offend the rest of us mere mortals.

Ads for washing powder became synonymous with boring, repetitive, insulting advertising.

But notice the past tense. Latest offerings from four of the famous five leading brands suggest that things really are changing. In the past five months Persil, Daz and Bold have put washday in its place—not the focus of a woman's existence but recognising it for the chore it's always been. The angle is more on release from drudgery, and freedom to get on with the myriad daily demands facing women in the 1980s.

The Bold 3 ad spells it out: "Three years ago I watched the school play; today, I'm producing it. Then I used a separate softener and washing powder; now it's all in one."

But Persil and Bold don't deserve all the credit. Surf was probably the first to break the mould of the traditional washing powder advertising back in 1982 with its much-praised trick graphics ads from SSC & B Lintas which urged consumers "to trust today's Surf and get on with doing all the things you have to do and some of the things you want to do."

Behind all this, of course, tower the twin soap giants Procter and Gamble (with Ariel, Bold and Daz) and Lever Brothers (with Persil and Surf) and a long-standing battle for washers' allegiance which has made washing powder one of the most competitive markets of all. This year the UK market is estimated to be worth around £330m, some £220m of it the swelling "low suds" sector (for automatic front-loading machines).

It's with the battle for the low suds market that we are concerned here. Lever Brothers was first into the low temperature/low suds market in 1968 with Persil Automatic. P and G's first counter-attack didn't come until 1974—with Bold. But, even though many thought its performance to be superior—since unlike Persil, it was enzyme-based and thus had improved stain removal properties—it never threatened the market leader. P and G was more successful, however, with its Ariel Automatic, launched in 1981. Also enzyme-based, Ariel had already been eating into Persil's market share with its high suds, non-automatic enzyme based version launched in 1968, and it was in no small part "thanks to the superb job done by JWT over the years"—as one rival adman puts it—that "Persil nonetheless retained brand loyalty."

Now Lever is praying it has stemmed the Persil slide with its New System Persil Automatic, an enzyme powder launched to much fanfare last October. This powder has narrowed the performance gap with P&G's enzyme low-suds powders considerably. Its two new ingredients, biological action (or enzymes as we know them in Bold and Ariel), and TAED (tetra acetyl ethyline diamine) a low-temperature bleaching agent, have souped up the ageing Persil engine.

Market share figures for February show, according to Lever, that Persil — which was boosted after the launch (as is normal) to a record 48 per cent but dropped to just below 40 per cent at the time of the complaints — is now rising and stands at 43 per cent. This is a higher level than the entire summer period of 1983, says Lewis.

Commenting on the complaints about the new product, Dr David Atherton, chief eczema specialist at the Great Ormond Street Hospital, London, says skin irritations can be a problem common to other biological powders, too. "We have no firm evidence yet," he says, "but we think it's something to do with the enzymes which stick to the protein in clothing and which rinsing can't remove. Heat destroys them, but it's a low-temperature washing powder. It wouldn't be unreasonable," he suggests, "to assume that as much as 10 per cent of the population (those with sensitive skins — many with eczema) is at risk of irritations from such powders."

In developing a campaign for the new products "we wanted a contemporary style of advertising to tell a news-story," says David Stevenson, marketing director of the £8m Lever Bros campaign. "Something dramatic had happened. We wanted to present New System Persil Automatic as an up-to-date product right for all machines and all fabrics."

Following the complaints, a big reassurance job was needed, though — hence the current version of the advertisement which shows real life testimonials of happy contended customers.

Lever's second brand, Surf, which claims some 10 per cent of the low suds sector, sells on a value for money, economy platform, with a modest advertising budget of around £1m.

Bold 3 campaign which was launched in the UK in January is believed to be an American inspired theme, handled in both countries by Grey Advertising. The U.S. versions feature efficient-looking and sounding women who say "a few years ago I was building a backyard sandbox; now I'm heading the committee to build a playground." "a few years ago I just bought pots to put plants in; now I'm building pots of my own."

Daz Automatic, too, has also changed its tune lately. Where it used to be Mrs Hinton of Harrow or Christine Truman doing the window test to background muzak, the Young and Rubicam campaign at the end of last year updated the image dramatically with its zippy, sexy razzle dazzle versions.

Alone of the top five in this sector, Ariel Automatic continues its hard-sell traditional advertising approach with Jimmy Young asking the housewife to compare washes.

Why darts have gone by the board

Grand Met's pubs are being 'themed.' Lisa Wood reports

Collins—formerly The Bull—art deco and fresh flowers

NOT VERY long ago there was an old pub in the City of London called The Bull. It was famous for its darts team and not much else. As in so many other pubs, sales of beer — and customers — seemed to be in permanent decline.

Today, The Bull is no more. In its place is Collins, a crimson-façaded "open house" which serves cocktails and game pie, alongside beer, to a growing number of customers.

The darts board has gone. So has a plaque that said Samuel Pepys drank here. In their place are art deco mirrors, cafe-style curtains and fresh flowers.

The Bull is not alone, however. The Tally Ho, The Honeycombe and the Flying Eagle off-licence have been replaced by Hudsons, Ruby Tuesdays and Takes. The latter sells asprins, videos and bread, alongside the beer and wine.

All are owned by The Host Group, formerly known as Chef and Brewer. Host runs 1,500 managed houses and is part of Grand Metropolitan, the brewing, hotels and leisure group whose companies include Express Dairies and Watney Mann and Truman Brewers.

Over the past 14 months Host has forged for itself a very separate identity; it no longer sees itself as simply an outlet for the group's beers. The pubs themselves have started to undergo one of the most aggressive marketing transformations in the industry.

Rehabilitation and "theming" of pubs, with less attention to beer, consumption of which has been declining anyway, and more on retailing activities such as food, has been a priority of brewers for the last couple of years.

Host is remarkable, however, for the clinical precision of its market segmentation and the speed of implementing changes. The company emphasises "asset utilisation," that is, making the most of every square foot of its properties. Unlike most brewers the men at Host do not talk about their tied houses. They call their pubs their asset portfolio.

"The re-think of Chef and Brewer was not set against a background of disaster," says Tony Fitzsimmons, the 37-year-old managing director of Host, formerly of Watney Mann and Truman, Grand Metropolitan's brewing subsidiary. "Profits had grown but we had to realise that the market had shifted and we had to re-position ourselves."

Market research did not disclose any particularly new discoveries. Women were a largely untapped market. Home entertainment and fast food, all appealing to children, were a major growth area. Pubs were seen as offering poor value for money in the equation of the cost of a drink and the facilities on offer.

Product styles

"The problem was to add value to our products, utilising economies of scale but at the same time recognising that the market was segmenting," says Fitzsimmons.

A full-blooded marketing man who avoids using the word pub and who instead talks about products and brands, Fitzsimmons continues: "We could not run a single brand because all the locations are different. Equally we could not market 1,500 brands."

The result has been the development of 14 product styles which will be selectively introduced into all Host's licensed premises in the next year or so at a cost of more than £100m. Each existing pub's catchment area is studied and the appropriate style introduced for the target customers. All schemes have a test run — a measure which Host claims wards off criticism that its fairly radical changes could be risky.

A large percentage fits into what Host calls its "open house" style which, in decor and external signs, tries to avoid the beery pub image. One style, called Barnaby's, emphasises that they are family restaurants. Forty-six have been developed since last October.

Other styles include the bar cafe, which offers coffee during non-licensed hours, the drive-in pub and "Pub 80" which aims to give a young and very comfortable wine-bar style environment.

The old Chef & Brewer signs will hang over some pubs which, because of their special character, will be preserved as traditional drinking places.

The strategy is simply to impose a discipline of a range of styles over a collection of pubs which in the past were allowed a great deal of individuality.

Collins is a Pub 80. It took almost four weeks to effect the transformation in November. The managers, Colin and Louise Moysen say that turnover has doubled on the same period last year. Customers are younger. About 40 per cent are women. Mrs Moysen says that when they took the pub over 16 months ago there was scarcely a woman to be seen in the old bar.

At Hudsons, in Kentish Town, north London, the story is the same. One of Hudson's new regulars says: "Before it was a traditional Irish pub, with pool tables and a local band. I would not have brought my girl friend here. I do now."

Increases in turnover at the new pub 80s, American in style with a bright pink neon logo, have been dramatic. Calling up the information on his Wang computer, Fitzsimmons says takings were up by an average of over 50 per cent on the same months of the previous year. The most impressive improvement was 125 per cent.

The thrust of the strategy is to change the whole culture of tied estate management, says Clive Strowger, chief executive of the Consumer Services division and formerly of Watney Mann and Truman. "Today the emphasis is on the total utilisation of the asset. Every pub has its own financial target, for example."

"I have to generate cash from my outlets and I'll look at every means," says Strowger, who learnt about the realities of business during a six year stint at British Leyland. It's a philosophy he has also extended to his other responsibilities which include Berni Inns and Huckleberry's, the fast food chain.

Convenience

The introduction of shops called "Takes" falls into the strategy. Takes are being introduced both into licenced premises and the company's 190 off-licences. They provide convenience shopping for those who need a loaf of bread, a video or an asprin—at a price—at unsociable hours. Whitbread has also experimented with this idea in its Thresher chain of off-licences, but pub shops are being introduced more rapidly into Host's estate.

"There are always pockets of people who will resist change," says Strowger. "My aim is to have the highest paid licensed managers in the country. If we lay down new practices in a structured way people should be more confident.

"Pubs have no secret survival formula. Gradual change may work in some areas but not here in the consumer market."

THE ARTS

The Pre-Raphaelites/Tate Gallery

David Piper

A Brotherhood of brilliance

The Pre-Raphaelites are in town, at the Tate Gallery till the end of May. In part, they are of course established residents, and almost a quarter of the 250 paintings, drawings and sculptures shown are from the Tate's own holdings. The brilliance of the full congregation now assembled should, however, rivet the attention of even the most assiduous Tate-goer who may feel he knows it all already.

The great provincial galleries of the Midlands and the North, enriched by those enlightened industrialists of the mid-Victorian period who revolutionised patronage of the arts, have lent generously of the most famous and magical of the movement's masterpieces—such jewels as Millais' *Blind Girl*, sitting in her internal darkness in the stillness of the thunder-light with the double rainbow: Holman Hunt's *Hireling Shepherd* and the smaller version of the most extraordinary image of all, the forlorn *Scapegoat* by the Dead Sea; and a hot-house full of Rossetti beauties. And even if you think you know the residents—when did you last linger to count the varieties of flowers that crowd Ophelieas drowning? The pre-Raphaelites demand the truly close and unrelenting scrutiny, and this is an exhibition to be visited again and again.

The arrangement is chronological. A brief prelude assembles most of the cast, 1845-48, with Ford Madox Brown, not a member of the Brotherhood but a sympathiser who both influenced them and was in turn influenced — and was perhaps at his best, the finest of them all. Then the extraordinarily brief coalescence, 1849-50, when the PRB showed as such, at first not unfavourably received, but then savagely attacked, especially for their religious subjects. Charles Dickens' notorious ferocious assault on what now seems Millais' most inoffensively mild rendering of *Christ in the Carpenter's Shop* is now almost impossible to understand.

But almost equally difficult to grasp is the fact, underlined by Alan Bowness in a succinctly lucid introduction to the catalogue, of the ages of the protagonists in the movement at this stage — Hunt about 21, Rossetti 20, Millais 19. Their manifesto was indeed naively youthful, their aims including "genuine ideas to express; to study nature" and so forth, and "most indispensable of all, to produce thoroughly good pictures and statues."

Vague though this was, their techniques were already formidably skilled, and their insistence on loyalty to Nature led them soon to confronting her in the raw to ensure accuracy, to *plein air* painting, not a practice dear to the academic establishment of the time. They achieved a luminosity by using colour almost as thinly on occasions as in watercolour, over a pure white ground, and the resultant brilliance, even stridency—sharp reds, acid greens, violets, yellows—astonished their contemporaries, and doubtless it was such effects that led a distinguished French critic, Taine, visiting England a little later, to the conclusion that there must be something wrong with the English retina.

The trend-setters in this kind of work were Millais and Hunt, both controlling their colour with rigorous command of line and contour, and seeking with endless patience to catch the precise modulation of light on flesh or fabric. Rossetti was always apart in style; though an original master of interlocking composition, looser and more lush in handling. By 1852 the Brotherhood was already disintegrating, but Ruskin (himself still in his 20s, but already a voice of national influence) had helped a wider understanding of their aims.

Through the 'Fifties, Hunt (working extended periods on the "Scapegoat" in the Holy Land) and Millais, and those associated with their aims (Arthur Hughes, Henry Wallis, John Brett and others) produced some of the most splendid works shown in the exhibition. Rossetti, having abandoned oil-painting for the time being, nevertheless led the "second wave" with the young Morris and Burne-Jones, in the wall-paintings in the Oxford Union.

The final section of the exhibition outlines, in broader framework, developments after 1866. Holman Hunt alone proceeds stubbornly, even crankily, on his Pre-Raphaelite way (not mostly happy on a large scale). The Rossetti woman finds her priest blooming, massive in chin and throat, languid yet expressive of appetite. Burne-Jones's dreams emerge in their own distinct originality from Rossetti's aura (even featuring the nude occasionally—Pre-Raphaelitism was almost always fully clothed or armoured or draped); his imagery was recognisable and acceptable in the European symbolist movement, and his reputation the first to become international.

There has always been a dedicated core of admirers of the Pre-Raphaelites, but for some years now there have been ever-increasing addicts amongst the young. The vibrant, sometime almost achingly sharp colour is no shock to those who unlike Taine have experienced movements in art since 1945. Then there is a seductive melancholy. There is no hesitation in confronting sentiment, and in the best paintings now at the Tate, sentiment is painted overtly but with clear-eyed precision that should allow no accusation of sentimentality to be upheld.

Millais was the supreme master of this, in his golden youth. *Autumn Leaves*, from Manchester, is worth the entrance money alone, and see it you must, for colour reproduction seems able only to traduce its subtleties. Here, the beloved Pre-Raphaelite symbolism is inherent rather than applied; the transience of all things has rarely been more movingly conveyed than in this image of four young girls as the kindling smoke stirs from a pile of fallen leaves beneath the fading sky of an autumn dusk.

Maybe the Keatsian or Tennysonian medievalism, that once seemed uncomfortably akin to costume drama, is now invented with genuine antiquity, while the social comment, as in F. M. Brown's famous and crowded "*Work*," attracts other interests. But for me, the purest enchantment of these painters can live in "straight" landscape. Sometimes, in glimpses of beyond in a pellucid tranquil clarity, beyond a shadowy foreground.

Brown's vision of Hampstead gardens from a suburban back window, the suburban houses shoulder-deep in the accurately differentiated foliage of the trees, red roofs bright, has always seemed to me one of the most marvellously ordinary, marvellously mysterious, of English 19th century landscapes. And for sheer concentration of pleasure, please focus on his tiny "*Carrying Corn*." So simple, and yet a triumph of genius in taking pains. Brown made 22 visits to that field, and was 70-odd hours in the painting of it.

The exhibition is sponsored by S. Pearson and Son, also involved, via Penguin, in the production of a catalogue that is full of new material and (unlike many catalogues) most readable.

A detail from "Isabella and the Pot of Basil" by William Holman Hunt

'They achieved a luminosity... even stridency... that astonished'

The movement in perspective

As well as the lavishly illustrated catalogue, which contains reproductions of all 250 paintings on show (100 of them in colour), The Tate Gallery, with Allen Lane, has published (at £12.95) *Pre-Raphaelite Papers*, a collection of 14 essays on various aspects of the movement.

Some are scholarly re-assessments, others explore by-ways, such as the Pre-Raphaelite's interest in phrenolgy. Quentin Bell looks at the critical reputation of the Brotherhood and disagrees with his father Clive Bell's 1920's assessment that their "output was useless." Holman Hunt's granddaughter reminisces about his collection of art.

One of the contributors to *Pre-Raphaelite Papers* is Jeremy Maas, the dealer, who pioneered a renewed interest in Victorian art in the 1960s. On April 9, Hutchinson publishes *The Victorian Art World in Photographs*, the photographs coming, in the main, from the Maas collection. Over two-thirds of the 425 illustrations are fresh. Many show the artists at work and, as well as humanising them, the book coincides nicely with the Pre-Raphaelites, whose ideas were much influenced by the development of photography.

Academy Editions has produced *Pre-Raphaelite Photography* (£6.95 in paperback) also to reinforce the Tate exhibition. While acknowledging that there was no school of Pre-Raphaelite photography 70-odd photographs reproduced show the links between the painters and photographers of the day in their approach to composition.

ANTONY THORNCROFT

Strippers/Newcastle Playhouse

Michael Coveney

Any doubts about the seriousness of Peter Terson's new play for the Tyne Wear Theatre Company are dispelled by the opening sight of a stripper in black leather moving provocatively among the audience against a cut-out skyline of immobile cranes and bleak warehouses.

There are over 200 clubs in the North East giving good money to girls who strip for men on the dole. Striptease would seem to be a minor growth industry, and as unemployed Bernard lolls around at home, his wife Wendy doubles as a part-time market researcher and waitress. The café she works in is a Gateshead social spot for strippers, and she is soon impressed by the idea of earning £17 for eight minutes work.

Wendy's first gig is at a stag party in South Shields where, of course, Bernard gets the shock of his life. He will not have his wife "stripping off in front of those animals;" the loyal, supportive aunt (Lyn Douglas) who cares for the baby and later teaches Bernard how to bake bread, suggests there is nothing wrong with using your body for work, after all, miners and footballers do; while the Canadian stripper Buffy (Susannah Fellows) reveals that a girl gains confidence only by despising the punters.

Mr Terson has hit on a good subject here and the play is rather in the vein of Trevor Griffiths' *Comedians* in its double-edged attitudes and parable of economic improvement through showbusiness. Also like *Comedians* it has no qualms about celebrating the clichés of a certain kind of performer's repertoire. This is a good-natured play, optimistic and, I believe, constructive, and the extraordinary thing is that, apart from some, extremely witty exchanges of dialogue and the felicity of the construction, *Strippers* exudes a dignity which it subsequently confers on the strippers themselves.

The actresses, one almost hesitates to say it, take to their roles like ducks to water, confirming Buffy's later suggestion—and the play's chief weakness is the non-stop spouting of appropriate wisdom and advice by this character—that people who strip well fulfil something deep down inside.

Pamela Blackwood as the leather-clad Cilla and Judi Lamb as Wendy who, as the wonderful Wanda, poignantly performs an upstage bridal strip and is left calling for Bernard while clutching a posy in the back stage, powerfully inconclusive final image, move as to the manner born.

Tracie Elisabeth Gillman, lean, lanky and luscious, is hilarious as the girl who is always working on her act, trying out a disastrously complicated flag routine, then a jungle number in which the slinky tiger gets shot ("we're supposed to give them a hard on, not a heart attack," blusters the furious agent) and finally a boa *constrictor*.

The play examines the dignity of a relationship in these unusual circumstances and Brendan Healy, a most impressive and versatile performer, is effectively moving as the husband who swallows his macho pride to set up the ironing board and trudge round the streets as a would-be seafood vendor.

In tandem with the picture of a maturing marriage runs the educative courtship of Douggie and Buffy. Douggie ends up respecting and marrying the stripper, receiving several firm lectures *en route*. Whether Douggie is a changed man remains as open a question as whether Bernard will support his wife by appreciating her act.

Robert Jones's design is neatly conceived and smoothly operated, taking us from the home in the Walker district to club bar, Gateshead café, sleazily illuminated strip joint and agent's office.

John Blackmore's admirable production plays in Newcastle until March 24 and then embarks on an early summer tour around Scotland and the Midlands before coming to rest, in June, in Norwich.

Thompson Twins/Hammersmith

Antony Thorncroft

With their new album *Into the Gap* moving quickly and cleanly to the top of the sales charts, and five concerts at capacious Hammersmith Odeon filled to the brim with ecstatic fans, the Thompson Twins are suffering the predictable backlash from critics who remember them when they played for half pints.

I don't suppose the Thompsons (a trio actually, two boys and a girl and not a Thompson in sight) weep into their champagne over this treachery and judging by their Odeon concerts they have no need to. Their music has advanced steadily, and if it is now a commercially acceptable blend of synthesiser and catchy guitar hooks, local boutique rather than London club-land style, and lyrics that cover much ground lightly, why not?

The best thing about pop is the way the market throws up the sounds the punters want before they are aware of their likes. The Thompsons may not be in the Hitler class as communicators—they dress in black, illuminated by phosphorescent bangles, and creep around the stage from instrument to instrument to show their musicianship—but their songs are spot on, and delivered with more panache on stage than on record.

It is the variety that is appealing, from the tugging "Doctor, doctor" to the expansive "East is east," with many high spots in between. Most top bands have a few choice plums in a stodgy pudding of a repertoire. There maybe something safe about the Thompsons, with their good back-up band, tentative back screening, and reclusive personalities, but they are the current masters of the transient pop song and no one should expect, or want, more from them.

London orchestras given boost

Four of London's principal orchestras are to get cash aid from the Greater London Council to help attract new audiences to the South Bank concert halls.

The Royal Philharmonic, London Symphony, London Philharmonic and Philharmonia orchestras are to get £100,000 between them to launch advertising and marketing schemes aimed at fostering a new and broader audience at the Royal Festival Hall.

PLG string quartets/Purcell Room

Max Loppert

The Park Lane Group embraces once more, in three Tuesday early-evening recitals this month, a project already launched and proved valuable in previous seasons—the examination at length of the British string quartet repertory. The first, given by the Coull Quartet with tireless advocacy, contained recent works by John McCabe, David Blake, and Robert Simpson, each exemplifying what might not too unfairly be called a conservative cast of thought. It was not a fashionable concert, not a display of the latest musical modes and modishness; but it was not less eventful or substantial for the absence of those things.

Blake's Third Quartet, receiving here its London *première*, unfolds a single span that is at the same time a concatenation of contrasted movements. Like both previous Blake quartets, it is a composition at once stringent and passionate, with a Berg-like concern for close follow-through of thematic processes and also a Berg-like breadth of dramatic spectrum. There follows upon the slow introduction a wide diversity of mood and subject variation, yet even in only a single (scoreless) encounter one instinctively recognises the work's internal coherence, the way the succession of incident argues its own internal logic.

A single unifying feature of the concert was, in fact, the way all three works pursue a single-span structure. McCabe's Fourth (1982), consciously owning the dominant influence of Haydn, explores the possibilities of building up variety from a very small amount of basic material; the result shows McCabe's careful, precise working, but, I thought, little in the way of real originality or strong, gripping character. Simpson's No 7 (1977) has been described in these columns more than once. A gradual unfolding of simple motives developed with leisurely rigour to a vibrant central climax then slowly unravelled once again, it is achieved with tremendous conviction and unbudgeable certainty of aim — greatly impressive and at the same time strangely obvious in its spiritual pursuits. The next PLG programme (March 20): Bush Hoddinott, Cowie.

Le Chemineau/Capitole Toulouse

Ronald Crichton

There has been a theatre in the Place du Capitole in the middle of Toulouse for 250 years. It was rebuilt several times twice, even, since the war. The present auditorium, painted chocolate and upholstered pinky-beige, is ugly but comfortable. Under the musical direction of the energetic Michel Plasson the opera company has been making a name for itself outside France. Almost every important French opera recording now seems to come from the capital of Languedoc.

In the regions as well as in Paris the neglected French repertory is being dusted down. The present season, with subsidies constipated here as elsewhere, has been less interesting than some. Nevertheless, Toulouse borrowed from Nantes a production of *Le Chemineau* by Xavier Leroux. This one-time favourite, first seen at the Opéra-Comique in 1907, appeared briefly at Covent Garden during a Beecham season in 1910. Leroux is forgotten now. He was a Massenet pupil, taught at the Conservatoire (where he was responsible for kicking one ungovernable pupil, Darius Milhaud, upstairs into a livelier class—a fact that Milhaud recorded with gratitude). Leroux wrote several other operas, including *La Reine Fiamette*, for Mary Garden.

Beecham noted of his production that "everyone who did come liked it and returned," further observing that the French repertory, which he loved and knew well, had "an exceptionally large mass of achievement of the second rank." To this mass *Le Chemineau* belongs. Jean Richepin's libretto concerns a "chemineau" (tramp or vagrant—never named, typically of the symbolism that went hand in hand with verismo), a good-natured easy-going fellow who takes temporary work on a village farm, seduces the servant Toinette, then goes his way. Toinette's faithful suitor François marries her, unaware that the child will not be his.

When the boy, Toinet, grows up and courts the farmer Maître Pierre's daughter, the old man not only refuses her hand but maliciously tells all. François has a stroke. Toinet takes to drink. The "chemineau" returns, after 20 years' absence. He takes a liking to his son, befriends the now enfeebled François, placates Maître Pierre and settles down a second time until (on Christmas Eve) the pull of the road once more proves too strong.

Leroux had the French opera style of the day at his finger-tips — grateful vocal lines, light, clear scoring, a pinch or two of harmonic salt, touches of picturesque folksong. The occasional drops into sub-Puccini sound false now and there is too much medium-paced, common time melody in the tracks of Gounod and Massenet. Yet, as Martin Cooper has written, the best scenes in *Le Chemineau* possess "a poetic quality... emotional power and a direct appeal." This is, in fact, exactly the kind of unpretentious, thoroughly professional opera in which the slender British repertory is deficient.

The title-role is a gift for an actor-singer with the warmth and quick response of the baritone Jean-Philippe Lafont. Not for the first time one noticed that this brawny performer used his full voice too unvaryingly, but he was splendid in the reunion with Toinette and touching in the controlled restraint of the ending. Apart from the François of Pierre-Yves Le Maigat, another good artist and the young tenor Thierry Dran as the wretched Toinet, the remainder were unremarkable.

The production, attributed to Jean-Louis Simon, looked stiff and second-hand. Borrowing, as we are beginning to realise, is not necessarily salvation. Jean Périsson conducted. At moments during the first act, *a rather static pastoral idyll*; one wondered if this was really the orchestra admired in the recent recording of Roussel's *Padmâvati*. The following acts, more varied and more compact, were much livelier. By contrast with the eager young audiences for Rameau's *Les Boréades* at Lyon last year the Toulouse public was sedate and middle-aged.

Arts Guide

March 2–8

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Exhibitions

LONDON

Royal Academy: The Genius of Venice – we are treated to a show in the grand old manner of the Royal Academy's Winter Exhibitions. It treats us exclusively to the painting and, to a lesser extent, the sculpture, that Venice produced in the 16th century. If Bellini and Carpaccio are honoured more by their absence, since the panels now are just too fragile to travel (although the Lion of St Mark's is Carpaccio's), there is so much that has been brought in from all over the world that compensation is hardly the word. So, from the shadowy, speculative presence of Giorgione in the beginning, to the emotional extravagance of Tintoretto filling the lecture room at the end, and in between the great spaces of the Academy filled with Titian, Veronese, Bassano, Lotto, et al, we are indulged in a way unlikely ever to be repeated in our time, if at all. Ends March 11.

Liberty of Regent Street: Four Rooms: an unusual setting but an unusual and fascinating exhibition, which makes great sense where it is. The Arts Council invited four British artists – Anthony Caro, Howard Hodgkin, Richard Hamilton and Marc Chaimowicz – each to design a room – the only practical limitation being the knowledge that the exhibition was to go on tour – with everything made to the artists' particular requirements. The results are as different as we would expect – a kind of operating theatre or waiting room from Hamilton, impersonally threatening; a richly comfortable, colourful sitting-room from Hodgkin; a cooler though no less ambiguous apartment interior from Chaimowicz and from Caro an authentic sculpture that is yet a Child's Tower Room, off centre, rising on a spiral as it closes in on itself, complex, inviting and beautifully made. Ends March 10.

PARIS

Galerie de Jonckheere celebrates its extension from Brussels to Paris by showing four paintings by Peter Bruegel the Younger and 30 landscapes by his contemporaries, full of the colour, verve and earthy joie de vivre associated with Dutch and Flemish 15th and 16th century art. 21, Quai Voltaire. Closed Sun. Ends March 17 (2613879).

Enfants du Passé: Toys from the 17th century to the beginning of the 20th. Miniature silver tea-sets, small musical instruments, furniture fashioned by master craftsmen, Napoleon's son's rattle. All exude the special charm associated with childhood. Le Louvre des Antiquaires, 2 Place Palais Royal, 11 am–7 pm. Closed Mon. Ends March 18 (2972700).

William Bouguereau: An exhibition which continues the present rehabilitation of academic art of the second half of the 19th century. Petit Palais. Closed Mon. Ends May 6 (2651273).

Camille Claudel: 70 sculptures accompanied by paintings, drawings and engravings prove the individuality of Rodin's pupil who, through her realism and, later on, a sense of the theatrical, found her own way. Musée Rodin. Closed Tue. Ends June 11 (7050134).

Pierre Bonnard: an important retrospective of the painter whose canvases filled with colour and light glorify the beauty of the human body as he painted time and again Marthe, his wife, at her toilet, in her bath. His Mediterranean landscapes radiate the same joyous love of nature. Centre Georges Pompidou (2787995). Closed Tue. Ends May 21.

WASHINGTON

National Gallery: Thanks to its popularity, the Aztec show of artifacts from the Spanish conquest to the 1978 excavation of Tenochtitlan – the largest show of its kind ever in America – will extend its run to spring. Ends April 1.

NEW YORK

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer Henri Lebosse. One World Trade Center, 105th storey.

Metropolitan: Rembrandt, Vermeer, Hals, van Ruisdael and Steel are among the 17th century masterpieces from the Royal Mauritshuis Picture Gallery in The Hague taking up temporary residence in commemoration of 200 years of Dutch-American diplomatic relations. Ends April 15.

International Center of Photography: David Bailey black and white photos of swinging Britain in the 1960s include the faces of that time such as Jean Shrimpton, Mick Jagger and David Hockney. Ends April 1.

CHICAGO

Museum of Contemporary Art: With the assertion: "The arts in West Germany today are dynamic and strong, and constitute one of the most important sources for contemporary art trends in Europe and America," this recent Chicago institution is putting on three German shows, of artists Rebecca Horn, Dieter Roth and 100 works of five neo-Expressionists. Ends April 1.

WEST GERMANY

Tübingen, Kunsthalle: Edgar Degas. The most comprehensive Degas exhibition ever shown in the Federal Republic. More than 200 drawings, pastels and oil sketches document all periods of the French impressionist's oeuvre. Ends March 25.

Bielefeld, Kunsthalle, 5A, Ladebockstrasse: A Picasso exhibition focusing on the artist's depiction of death. Ends April 1.

Brunswick, Herzog Anton Ulrich Museum, 1 Museumstrasse: "First-hand painting" has more than 80 sketches in oil, dating from the 16th to the 18th century by roughly 50 European artists, among them Rembrandt, Rubens, Tintoretto and Boucher. These initial studies sketched with crayon or coal up to the end of the 15th century, were carefully hidden from the public but have been discovered and recognised as an especially attractive art form. Ends April 1.

Bremen, Kunsthalle, 207 Am Wall: A roving exhibition dedicated to Ewald Matare (1887 to 1965), the German sculptor and painter, highlights of which are 59 landscapes in watercolour presented to the public for the first time. Ends March 11

Cologne, Museum Ludwig, 1 Josef Haubrich Hof: Masterpieces of Russian Painting has 70 oil paintings from the end of the 19th and the beginning of the 20th century by Chagall, Kandinsky and Malevitch, for example. Ends March 25.

HOLLAND

An extensive collection by the Dutch artist Bram Bogart from 1951 to 1980 is on view at the Museum Boymans-Van Beuningen, Rotterdam, to March 31. Bogart, born in Delft but a long-time resident of Belgium, is an Expressionist who has recently discovered the joys of updated pointillism.

Rembrandt: The artist's home and etchings each Sunday at 2pm until the end of April. The Rembrandt House and Museum is at Jodenbree Straat 4-6, Amsterdam.

BRUSSELS

Musée d'Art et Histoire: Reconstruction of the chamber of the Bulls of the Lascaux Grottos, closed to the public through fear of damage and pollution affecting the drawings. Until April.

Société Générale de Banque: Sundials, astrolabes, watches, clocks and marine instruments. Ends April 7.

ITALY

Milan: Palazzo Della Permanente: Oskar Kokoschka (1906-1924) drawings and watercolours. Ends March 11.

Venice: Museo Correr: Until a year ago, there was not a single painting by this Venetian master to be seen in the city (there were in fact two – but in private collections). The local council has now acquired two large and splendid paintings with interesting documentation concerning their restoration.

Florence, Pitti Palace: Raphael paintings and drawings. The exhibition has drawn such huge crowds that the opening hours have been extended – something almost unheard of in Italy. Now open from 9am until 7pm (closed Monday).

Rome: Galleria di Palazzo Spada, Piazza Capo di Ferro: Beautiful seventeenth century palace containing a fine collection of paintings of the same period. The building has been closed for restoration for some time and re-opened this week. It is also possible to visit the Room Of The Four Seasons, normally closed, with its beautiful mouldings by Mazzoni. The charm of this gallery is that it has kept its character as a private patrician art collection.

Venice: Palazzo Grassi: as a precursor of the Venice Carnival (which explodes on Feb 26) an interesting exhibition of over 700 masks – from early Greek to the masterpieces of the Commedia Dell'Arte and later (until March 15).

War Requiem/Festival Hall

Max Loppert

The Young Musicians' Symphony Orchestra on Monday tackled one of its largest projects so far. Joined by the Philharmonia Chorus and the Wandsworth School boys, the orchestra gave a *War Requiem* so confidently accomplished as to demand measurement according to the strictest Britten standards. There is a good deal of taxing instrumental writing in the work, of awkward ensemble interplay between full and chamber orchestras; yet it was only at fleeting moments—during the unfurling fanfares of the "Dies irae" and "Sanctus," or the final gathering of sounds around "In paradisum"—that one became at all conscious of any want of power or finish in the youthful players. And for the most part their address of the score betokened easy mastery.

Surprisingly, though, there was a lack of dramatic excitement about the performance. Perhaps the expectation of a youthfully volatile response to the work's multitude of graphic imagery was itself misplaced, but one waited for the keen sharpening of detail — an incisive underpinning of timpani in the movements of war-vigour, a quick, vivid attack on the wind writing around the Owen poems—that largely failed to materialise. (The one moment of notable instrumental drama, the full outburst of percussion in the "Libera me" swamping all other forces, seemed to be the product of temporary miscalculation.)

There is, of course, an acoustical dryness about any Festival Hall *War Requiem* that counts as an automatic handicap for the choruses; but the consequence of James Blair's fastidious, rather too careful handling of them was to emphasize the uneven inspiration of Britten's music of public ceremony relative to his more intimate passages. This impression was reinforced by the skilful and subtle singing of all three soloists — Keith Lewis (tenor) and David Wilson-Johnson (baritone), best of all soprano Alison Hargan, who tempered the Vishnevskaya manner of hieratic boldness with an individual warmth of utterance that she bore upon phrases firmly placed whether high or low (or both).

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Consultation in Hong Kong

THE British Government is coming under pressure from the non-governmental members of Hong Kong's legislative council for greater disclosure and debate of the proposals for the crown colony's future before any agreement is tied up between London and Peking. Their desire to be consulted is understandable; the negotiators have to be extremely sensitive to the need to maintain the confidence of the people of Hong Kong during this difficult period. But it is almost impossible to see how they can take part in a consultative process until an agreement of principle on the transfer of sovereignty has been reached between Britain and mainland China. After that agreement has been concluded and ratified, a great deal of consultation on the detailed aspects of the hand-over will be required.

Next week, the unofficial members of the legislative council will propose a motion deeming it "essential" that the council debate any proposals for Hong Kong before a final Sino-British agreement. Since the Hong Kong Government does not, by convention, use its official majority on the council to squash unified unofficial dissent, it is likely that the motion will be adopted. Mr Richard Luce, the British minister responsible for Hong Kong, has defended the right of the unofficial members to put such a motion forward, but he has refused to endorse the motion itself.

Commentators sympathetic to Peking have already attacked the move by the unofficial members as prejudicial to the negotiations. That is as it may be: public evidence of anxiety by leading members of the Chinese community in Hong Kong may act as a spur to produce improvements in the small print of a Sino-British pact. But the fact is that China regards Hong Kong as a subject for purely bilateral settlement between two sovereign powers, and there can be no question of giving the unofficial members of the legislative council anything approaching a veto on the outcome of the negotiations.

There can be no such question, because there is not now and has never been any serious alternative to the surrender by Britain to China of sovereignty over Hong Kong. In 1997 the 19th century leases over nine tenths of the colony will expire. Since the remaining tenth is not viable on its own, and since the colony as a whole is not merely indefensible but permanently dependent on Chinese good will, it follows that sovereignty will have to be surrendered in 1997 at the latest.

Britain's declared aim in the negotiations has been to produce a settlement which would be acceptable to the people of the territory as well as to the governments of Britain and China. This is entirely appropriate, because it is their future which is at stake. But since Peking has at no stage been prepared to consider a compromise on the ultimate question of sovereignty, the main matter of the negotiations has been confined to the terms and conditions of transfer.

During the negotiations the Chinese Government has hinted at a readiness to consider, as part of a new regime in the territory, a greater degree of local consultation and local administration, as a sign of good faith that the present way of life and the present economic system will be maintained. But at present there is no good way of testing public opinion in the territory, even if that were consistent with the ground rules for the negotiations. Hong Kong is not a democracy. Neither the executive nor the legislative council is elected by universal franchise, and there is no constiutional mechanism for the people at large to say what they think.

Limitations

It may be regrettable that Hong Kong is so undemocratic, and that the 5m people who have made the territory such a vital and thriving place, should at this stage have no direct say over their future. It may even be ironic that the people of Hong Kong may yet get a greater degree of democracy as a result of negotiations over a loss of sovereignty than they have now. But the practical limitations on the British Government's ability to open the the negotiations to wide-ranging consultation have to be recognised.

Reform of UK local councils

MR PATRICK JENKIN, the Environment Secretary, is in a difficult political bind over the Government's plans to limit local authority rate rises. But the hullabaloo surrounding this proposal as it passes through Parliament is masking a greater difficulty for Mr Jenkin and his officials: how to abolish the Greater London Council and the six English metropolitan councils by 1986 without becoming ensnared in the mounting tangle of practical obstacles.

There is too much local government in Britain—and probably too much government altogether. There has long been a strong case for changes in both local government structure and finance to improve efficiency, value for money and accountability.

Some form of single rather than double tier of local government would seem to be the best structural solution but this would need to be organised with a great deal of care to ensure that authorities were both large enough to support essential local services while remaining small enough to be close and accountable to their electorates.

Mixture

At first sight, the Government's plans to abolish the GLC, Greater Manchester, Merseyside, South Yorkshire, Tyne and Wear, West Midlands and West Yorkshire would appear to be providing unitary local government to about a third of England's population. But here's the catch. The councils are not being abolished; only the councillors will be abolished. All the functions will remain, with no reorganisation of the metropolitan districts and London boroughs to enable them to become multiservice unitary authorities in their own right. So seven democratically-elected, directly accountable councils would be replaced by a mixture of joint committees and joint boards with powers to rate but neither directly elected nor directly accountable.

A number of independent studies has concluded that this may not be the best way to set about things. Bristol University's School for Advanced Urban Studies, originally set up by the Environment Department, says the plans are "ill-prepared, unjustified and totally unconvincing." It expects heavy transitional costs and says the plan is a recipe for increased bureaucracy.

Management consultants Coopers and Lybrand, commissioned by the metropolitan counties, have concluded that the reasons advanced for the abolition are overstated and misleading. Savings are unlikely and there could be substantial extra costs, they say. Many of the 1,500 submissions to the department make the same points.

The Government has always acknowledged that this reform would be tricky, emphasising that its White Paper, "Streamlining the Cities," was therefore tinged deep green.

So it could in no sense be construed as a defeat for the Government if it were now to decide that it needed more time to consider how best to reorganise urban local government. This need imply no abandoning of the laudable aim of establishing unitary authorities but would be an acknowledgement that the complexities demand a great deal more work to ensure that what follows is not less democratic and less accountable. More flexibility and imagination would seem to be in order; perhaps such metropolitan counties should go, but equally perhaps some, such as Merseyside, could stay. Another possibility might be for the big cities to become unitary councils while the county became the unitary authority for the rest of the area.

Complex

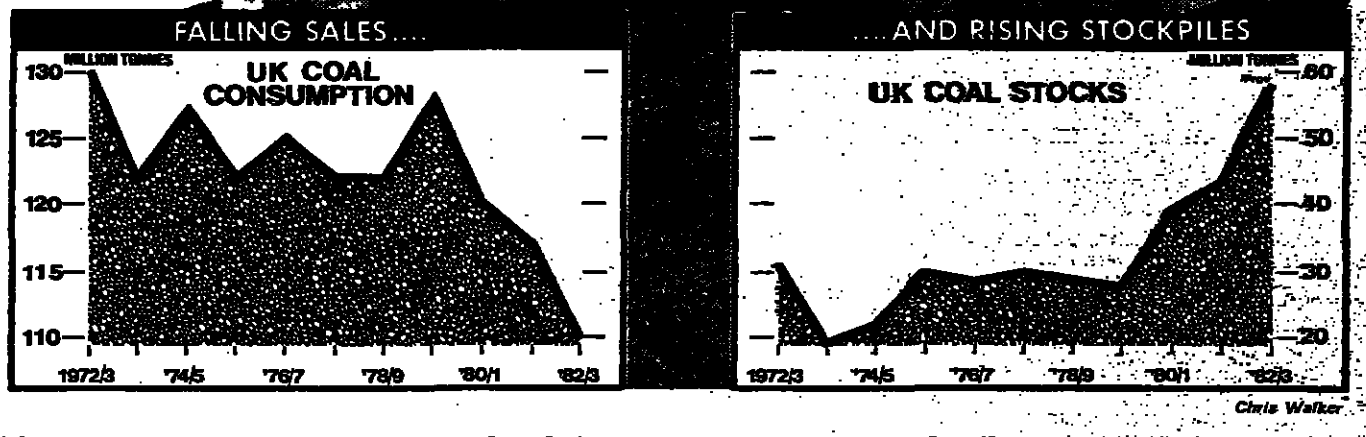
London's reorganisation is dauntingly complex and probably needs to be the subject of separate legislation and consideration, together with a great deal of time and caution. It may be that the capital needs some sort of elected council of its own — and there is certainly no reason why the surviving Inner London Education Authority should not be directly elected. Alternatively the GLC and ILEA could both go if the inner London boroughs were merged to create four or five large multi-service unitary inner city councils.

The prerequisite now is time, and the Government has plenty of that to spare before the next general election. At the very least the plan to cancel the 1985 local elections in the threatened councils should be dropped and the abolition bill delayed until the Government is sure it has the best possible solution.

UK COAL

MacGregor turns on the heat

By John Lloyd and Maurice Samuelson



Chris Walker

MR IAN MACGREGOR, chairman of the National Coal Board, shares with the Prime Minister the facility for at once taking his responsibilities very seriously and distancing himself from them.

Like Mrs Thatcher, his patroness and admirer, he is able to participate in, or even to lead, the populist criticism of Government (or the NCB) for being profligate, bureaucratic, inefficient and — in his case — strike happy. "You guys are getting a raw deal," he tells taxpayers, almost in so many words, "Somebody should do something about it."

Like his two immediate predecessors, Lord Ezra and Sir Norman Siddall, he has had to keep a straight face while simultaneously swallowing huge amounts of Government aid and promising profits just over the constantly receding horizons. Unlike them, he has rubbed everyone's noses in just how big these amounts are: most of all, he has impressed the fact on the mineworkers.

He remarked after his meetings with the mining unions earlier this week that his insistence on tighter financial targets for the NCB areas was "disturbing for our union friends because they haven't been used to seeing the business as a financial institution." It is his job, after the expansionist golden days of the Ezra/Gormley double-act Plan for Coal, to tighten the iron hoops of financial and market discipline round the industry.

But the miners are very different from the steelworkers whom Mr MacGregor—apparently effortlessly—reduced to impotence while he ran down BSC. The steelworkers had had a long, enervating strike which lost their industry valuable customers and sapped their collective strength. When national bargaining was quietly replaced by plant bargaining, the steelworkers failed to organise resistance, at least in part because many of them preferred it that way.

The mineworkers, though loyal to their areas, also have a strong national identity: they still enjoy some public support because of the nature of their job; and are a long way from acquiescing in area-by-area, let alone pit-by-pit, bargaining. Moreover they remember that in 1981 when they last united to challenge the Government over pit closures, Mrs Thatcher backed down.

Mr MacGregor has had a rough start: if the aura of success, even invincibility did not still cling to him, and if Mr Arthur Scargill, the mineworkers' president, were not too big a media bogeyman to allow room in town for another, he might now already be under fire.

Costs have soared under his leadership, and the Government will today ask Parliament to stump up nearly £300m more than the already huge aid level to stop bankruptcy: an overtime ban in its 19th week is now beginning to hurt; he cannot visit a pit without the risk of violent scenes; and now area strikes could flare across the country. Can he win his goal of creating a "high-volume, low-cost industry"?

His financial problems are enormous. At the beginning of the year, he had to make the five-minute limousine trip from his own headquarters overlooking Buckingham Palace, to the Energy Department on the banks of the Thames to ask Mr Peter Walker, the Energy Secretary, for £289,952,000 to see him through to the end of the financial year. When Mr Walker asked what for, Mr MacGregor said he had three big problems: one of success, one of failure, and one of subsidence.

The success has been that almost twice as many mineworkers have left the industry in 1983-84 as expected. The Energy Department budgeted for 10,400 redundancies and the financial year will end in three weeks time with more than 20,000 gone. The board has done this in part by lowering the age at which the redundancy payments (at an average cost per man of £30,000 to £35,000) could be made, from 55 to 50. As a result, the cost of the Redundant Mineworkers Payment Scheme went up from a budgeted £105m to £193m. This year the Government expects the scheme to cost £243m.

His failure has been his inability to get the National Union of Mineworkers to accept his 5.2 per cent wage offer and to call off their 19 week overtime ban. Assuming the ban continues until the end of the financial year, the board will have lost 9.5m tonnes of ouput and 4.4m tonnes of sales. Although coal stocks are at record levels, sales have been hit because coal washeries and handling depots are also observing the ban, thus slowing down deliveries and reducing the board's income.

Sales of fuel for the home have been particularly hard-hit, though these only account for about 6 per cent of NCB production. The UK, already an importer of smokeless fuels, has had to bring in additional supplies from a number of countries, including West Germany, Poland and the Soviet Union.

It is impossible to know what the final cost of the overtime ban will be. The output and sales losses will come to some £266m by the end of this month, while the saving in overtime payments and other operating costs comes to £131m, a net loss of £135m. For the moment, the Board can console itself that cash flow looks a bit healthier, in spite of a 15 per cent fall in productivity as a result of the overtime ban.

> It is Ian MacGregor's job to tighten the hoops of market discipline round the industry

Subsidence is potentially the most serious problem and certainly the most fascinating one. The NCB pays out damage claims to property owners whose homes or businesses have suffered from the effects of subsidence due to mining operations beneath them. It had, for the current year, provided £102m for such claims, on the assumption that the average level of claim would be £4,200.

By October 1983, the average cost had risen to £7,000; by last month that had risen to £8,700, and a further £128m is needed to cover their costs. Of the extra provision, £113m will be allocated to one area, North Nottinghamshire, most of that to *one town*, Mansfield.

What appears to be happening—not to put too fine a point on it—is that the good people of Mansfield are making a killing out of subsidence.

The NCB is well aware that the spirit of Mansfield might infect other coal mining areas, leading to a rash of high subsidence claims.

These could add substantially to mining costs, turning profitable pits into loss makers. Mr MacGregor is talking in terms of changing the methods of mining under built-up areas so that far less coal would be removed there. This could significantly reduce the country's reserves of economically available coal.

Leaving aside the subsidence issue, some pits have closed, partially closed or merged in this financial year: a further partial closure has been agreed and four more closures or semi-closures are being opposed. The tempo in the coming year will be as fierce: Mr MacGregor has given notice that 4m tonnes will be cut from capacity, bringing it down to 97.4m tonnes, with the loss of around 20,000 jobs.

New financial and production targets have been set for his area directors: all of them, except Mr Mike Eaton, who has the Selby superpit in his North Yorkshire area, have to squeeze down production, which means closing pits.

How they do so and at what rate is up to them: as he demonstrated at the British Steel Corporation, Mr MacGregor is a devolver of power. He has brought in no new management, no new systems—just a finance man's refusal to be impressed by anything much but the bottom line. As his area bosses apply the heat, he talks hopefully of new markets to be won.

Indeed one reason why relations in the industry have reached flashpoint are the incompatible market forecasts made by the unions and the management. The contrast between the miners' expansionism and the Board's caution helps, too, to explain the contrast between the miners' current mood and the remarkable passivity between the 1950s and 1974 when the workforce fell by nearly 500,000 men to 252,000.

Since 1974, the miners have been comforted by the belief that with the days of cheap, abundant and reliable oil supplies gone forever, British coal has come into its own and the industry must expand to make up a lot of its lost ground.

Their hopes have been shaken by two factors: the effects of the recession, both on demand and on the oil price, and the birth of a market in internationally traded steam coal from low cost areas in the U.S., Australia and South Africa.

Mr MacGregor hopes that more British factories will switch from oil to coal and that exports can be built up to Scandinavia and various Mediterranean countries. This policy, he argues, depends upon success in bringing down unit costs and cutting out loss making capacity.

Hopes for a significant export market in UK coal, however, look over-optimistic. Coal from the U.S. is being landed in Western Europe for £30 a tonne and from Australia for about £25. South African coal is even cheaper. This compares with a gross average cost in Britain of £44 a tonne, which the Coal Board will cut by only £5 if it succeeds in its present strategy. This is why Mr MacGregor is increasingly warning miners that it is impossible "to build a wall around the UK to keep the rest of the world out."

However, he does believe that the industry has reached a "floor" in its domestic demand from which it can begin to ascend.

This is borne out by the 1m-tonne increase in UK coal consumption forecast for 1983-84, which in turn reflects a recent reversal of the trend in total primary energy consumption, which in 1983 was the lowest for 16 years.

Yet any increase in demand will, at least, be very gradual. In the meantime the Coal Board chairman faces an industrial relations task at least as daunting as his financial one. Today the NUM's executive will sit in its Sheffield office block and try to determine how to stop Mr MacGregor in his tracks. They will be faced with requests from the powerful Yorkshire and Scottish areas for sanction for area strikes from the end of this week or the beginning of next.

Mr Mick McGahey, the union's vice-president, forecasts and wants a "domino effect" of area action across the country, none of which needs the national ballot vote which has "constitutionalised them out of action" (as he put it earlier this week) when they have tried to mount national strikes over the past two years.

For his part, Mr MacGregor wants to press on with the job as soon as possible: "The sooner it is done, the quicker we shall balance output and demand, and bring about stability," he told the unions on Tuesday.

So Mr Scargill now has the most pressing need to stop him: if he does not, the industry will be cut back to "market clearing" levels and the NUM President's attempt to exempt coal production from the laws of the marketplace will have failed. He also has the best chance: Yorkshire and Scotland could be the first two "dominoes" and there is clear evidence of widespread anger among the mineworkers as the NCB's pressure intensifies.

The cards, however, seem to be stacked against Mr Scargill: winter is ending, coal stocks are high in the power station yards and his members still appear reluctant to jeopardise their mortgages.

The anger and hurt that is so evident on the picket line has already, literally, stepped Mr MacGregor in his tracks. But the NUM will find it hard to halt the process which he has set in train.

Men and Matters

USM founders exchange places

Graham Ross Russell, and the man he will succeed as a deputy chairman of the Stock Exchange in June, Charles Eglington, are regarded in Throgmorton Street as the founding fathers of the exchange's lusty offspring, the Unlisted Securities Market.

Ross Russell, a partner in stockbrokers Laurence Prust, and Eglington, of jobbers Akroyd and Smithers, played prominent roles in the quotations committee discussions which led to the launching of the USM in November, 1980.

From an initial 11 companies, the USM has grown at a remarkable rate. Last year, it comprised 220 companies and trading turnover reached £1.2bn.

A youthful 51, Ross Russell became a member of the Stock Exchange in 1965 atfer Cambridge, the Harvard Business School and a spell in merchant banking. His work within his firm has been chiefly in the field of corporate finance.

He was elected to the Stock Exchange Council in 1973 and during the past 11 years has served at different times on six of its eight standing committees. He has been chairman of both the planning and membership committees.

Those who have worked with him — on the boards of several industrial companies as well as in the Stock Exchange — say that he is "an extremely lucid thinker," "very knowledgeable on the technicalities of finance," and has "a highly analytical and objective approach to business propositions."

In his unassuming way, Ross Russell could now have an important influence on the future of the Stock Exchange as he becomes more deeply immersed than ever in the current questions of the restructuring of the market and its effects on members.

"The Minister wants to know about this Wat Tyler Mr Benn mentioned—was he in Ramsay MacDonald's government?"

Glass tribute

Opponents of a CEGB plan for a novel electricity building at Sellindge in Kent have likened it to an unwanted cathedral.

Readers of this column will remember that Dr Peter Howard, director-general of the board's transmission division, once said in an unguarded moment that if it would encourage his antagonists to accept the design he was even prepared to put in stained-glass windows.

Duly armed with planning permission, he thought that, in all seriousness, a bit of stained glass might not come amiss in softening the high-tech image of his new converter station, which will be the English end of the power cable now being laid under the Channel.

With the help of the Glaziers' Hall in the City, he has organised a design competition for transulcent decorative panels for the station's control room.

Competitors must be under 35, and they have just three weeks left to submit entries, which must reflect the purpose of Sellindge — namely to help the CEGB swap off-peak electricity with France.

Already there are more than 240 entries to be judged in the spring.

I wonder if any of them try to perpetuate football supporters and British lamb in stained glass in tune with the spirit of the times?

Rats imported

TV-am may have its troubles but its star, Roland Rat, goes from strength to strength.

Hasbro Industries (UK) believes the merchandising of the rat and his friends will bring it more than £1m this year, making rats the company's best-selling soft toys.

"Roland hogs the screen, he is such a charismatic character he upstages all the humans," says Norman Walker, managing director of Hasbro, at Wokingham.

The marketing of Roland Rat began at Hamleys toy shop, London, at Christmas. To everyone's astonishment they started moving off the shelves at the rate of 800 a day—approaching the success of those Cabbage Patch dolls.

The rat has also been successfully test-marketed in Woolworths and is to get national distribution through the chain.

TV-am gets 15 per cent of Roland Rat sales and will pick up £150,000 this year.

The rat has also been doing his stuff on-screen. For the last week-end in February (a schools half-term holiday) the TV-am peak audience rose to 1.6m, leaving the rat-free BBC morning show with a mere 1.3m.

But although the rat is helping to secure television jobs at Camden Lock he will not help employment in Wokingham.

The Roland Rat being sold in the shops is coming to British children from Korean manufacturers. "It's difficult to get soft toys made at the right price in Britain," says Walker.

Crow flies in

What does Dallas mean to you? —Soap opera and oil tycoons?

An 18-strong delegation is coming to Britain next week, intent on changing the image of the Texas city on this side of the Atlantic by promoting its attractions as a commercial an distribution centre for budding British exporters.

Organised by the British Overseas Trade Board's North American advisory group and Dallas Chamber of Commerce, the party will include the city's mayor, A. Starke Taylor, and one of the richest men in the Lone Star, property developer Trammel S. Crow.

Crow has the sort of money that would enable him to make a significant personal contribution to Britain's public sector borrowing requirement.

Which, perhaps, is one reason why many businessmen with high tech products and quality consumer goods to sell, will be tuning in to Crow at a London seminar next Tuesday rather than to Chancellor of the Exchequer, Nigel Lawson's Budget.

Strike rules

A further reminder that the Civil Service is a high risk occupation these days.

Sir Brian Hayes, permanent secretary at the department of trade and industry, was watching robot trucks at work in a Japanese factory recently.

What would happen if one stood in their way, he asked his host? "Oh, the electronic eye will spot you"

But say the eye fails? "Then the impact sensor would stop them the moment they hit you."

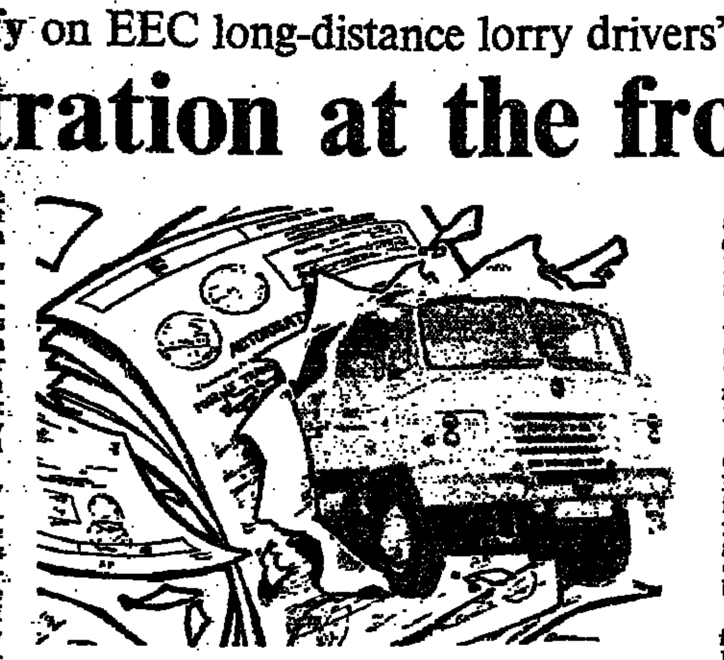
Deep throat

From a California newspaper: "The sole witness was an old man who was finally traced to a dockside bar. He had been drinking for several hours, and could give only a gargled account of the shooting."

Observer

Hazel Duffy on EEC long-distance lorry drivers' grievances

Frustration at the frontier



ERIC ETCHELLS, long-distance lorry driver, knows a lot about the Common Market. Seen from his cab it bears little relation, if any, to the Community envisaged in the Treaty of Rome.

To understand this there is no better place to start than with the documents which Mr Etchells has to take with him when he leaves the Stockport depot of his company, Dow Freight Services, on a typical journey to Italy.

First he needs a Community transit form, called the T-form. This is a guarantee that the Governments of the countries through which his truck is passing would be able to recover the VAT on the goods in transit, if that should be necessary for any reason. The T-form is a simplification of an earlier procedure, which is still required for countries outside the EEC. Until countries succeed in harmonising their VAT rates, some such guarantee will be necessary.

The T-form has several copies, *each of which must* be stamped at Dover by British Customs. One copy goes to the Customs' statistics office. Others are inspected and recorded at each border. *Finally* they are yielded up at the point of customs clearance (not usually at the border).

France, West Germany and Italy all require haulage permits. These are issued to the haulage companies by the Department of Transport. They are not necessary for "own account" goods, i.e. where a company is carrying its own goods in its own vehicle. The Department agrees an annual quota with the various governments. These are known as bilateral permits, which are good for only one trip *and* usually can be used only for the collection and delivery of goods within two EEC countries.

As well as bilateral permits, a small number of EEC permits are made available through the Department of Transport. And, of course, the driver also has to carry the normal commercial documents.

Border delays frequently arise over inspection of these documents. Mr Carl Burgess, Dow Freight joint managing director, says: "There can be mistakes on the forms. For instance, the description of the cargo on the transit form and the commercial invoice may not be identical. If this is spotted at the German border, the customs officials do everything they can to sort out the problem.

"But the French and Italian officials tend to be bloody-minded, and just make you wait."

An obvious solution is to cut down the number of documents.

This has been proposed by the Commission, in the so-called Narjes initiative (named after the Commissioner for the internal market). This calls for one form in place of three at present but is not expected to be implemented until at least 1987.

But it is not just a question of documents. *Related to the* frontier formality problems is the question of haulage permits, and the freedom of road haulage.

One solution is to increase the number of EEC permits, *which are allocated to the* vehicle for a year and are good for any number of trips. Only 8 per cent of professional road haulage traffic (excluding "own account") is carried under such permits.

A Commission proposal, which has been kicking around for a couple of years, would increase these permit allocations over the next five years. At the end of this period, subject to certain conditions and caveats, a free market in road haulage would prevail.

The proposal, however, has bogged down in the national politics of the French and German Governments in particular. The Germans are refusing to even entertain *the idea of* a free market. The opposition stems from two sources: both countries have "pro-rail" policies, which broadly commit their governments to seek to transfer freight from road to rail where possible.

At the same time, the relatively restricted entry to their *road haulage industries through* a much stricter system of quantity licensing (as opposed to quality licensing in Britain) has created a rather cosy profitable sector which lobbies strongly against more entrants and competition.

Arguments about the respective merits of road and rail, however, make little impression on our lorry driver. As well as the delays which he experiences at the borders, he has other difficulties with which to contend in the "uncommon" market.

He has to remember when entering France, for instance, that he must have only 200 litres of fuel in his tank (in Italy and Germany it is only 50 litres—just about enough to cover the bottom of the tank—but they will shortly come into line with the same requirements as the French).

He can also expect to be stopped at least once by the police—a tachograph check, checks on the vehicle, health checks on the loads, etc. A tachograph offence in France can lead to an on-the-spot fine which is enough to squeeze the profits out of the trip.

Less colourful, but equally *problematical, is the growing* environmental opposition to heavy lorries. In Germany, France, and Italy, they are banned from driving on Sundays, public holidays, and some summer Saturdays. Outside the EEC, Switzerland ensures that it does not become a transit country by imposing a ban on lorries over 28 tonnes, and now proposes to levy motorway charges on all vehicles. On a more parochial note, the Greater London Council is proposing to ban heavy lorries from its area at nights and weekends.

Some dismantling of the barriers, at least at the frontiers, may be in prospect as a result of the drivers' actions over the past couple of weeks. Their unprecedented action has jolted governments into some sort of response, although the French drivers' "grievances" are still the subject of discussions with their Government.

First, the Italian Government agreed to increase the number of Customs officials. Second, the French Government has agreed, although not yet formally, to implement before the end of the year the EEC directive designed to ease border crossings, and the Italian Government is under pressure to do likewise.

The directive, adopted by the Council of Ministers last December, was due to be implemented at the end of the year, but the French and Italian governments had negotiated a delay on key proposals until late-1986.

The whole question of frontier facilitation, as it is called in EEC jargon, is to be discussed at the internal market Council of Ministers' meeting tomorrow, and there is the possibility of a special transport council ministers' meeting later in the month.

The adoption of the EEC directive is the firmest of the three initiatives that have come out of Brussels in the past couple of years in an attempt to move towards the free market in transport which is enshrined in the Treaty of Rome. Whether it will actually help Eric Etchells and his colleagues depends very much on the will*ingness of the member countries* to implement the directive in the spirit which the Commission intended.

Among its proposals are: an emphasis on spot checks instead of inspection of every vehicle; harmonisation of the opening hours of customs posts on both sides of the border; express lanes *for vehicles travelling* under customs transit procedures so that drivers do not have to wait in long queues at each border; and mutual recognition of inspections carried out by officials of other states.

Unfortunately, in the 18 months or so since the directive started going backwards and *forwards between governments*, it has, in the words of a British official, "lost its teeth like so much else which comes out of Brussels."

The drivers will wait and see. They argue that they can plan for the expected. Their problem is the unexpected. Their greatest hazard, at least until now, is that they do not know how long they will have to wait at certain borders. A well-aired quip is that, given the complex problems which have arisen out of the Common Agricultural Policy, does the EEC really want a common transport policy?

The European economy

Why the brakes are still on a recovery

By Stephen Marris

WHY IS Europe's recovery lagging so far behind that of the U.S.? True, things are now perking up a bit. But—in stark contrast to the U.S.—there seems no hope for a significant drop in the crippling levels of unemployment, even looking several years ahead.

Conventional wisdom has it that the main reason lies in some deep-seated structural impediments to growth in the European economy. There are indeed such structural impediments, and they must be tackled. But the main cause of Europe's lagging recovery lies elsewhere, in the basically inconsistent mix of monetary and fiscal policies being pursued in Europe and the U.S.

In a nutshell, Europe's recovery is being held back by its own successful efforts to reduce structural budget deficits too early in the recovery, and by high real interest rates resulting from the total absence of such efforts in the U.S.

If it was not for this paradox—if there had been a more consistent mix of fiscal and monetary policies on both sides of the Atlantic—the European recovery could and should have been much stronger.

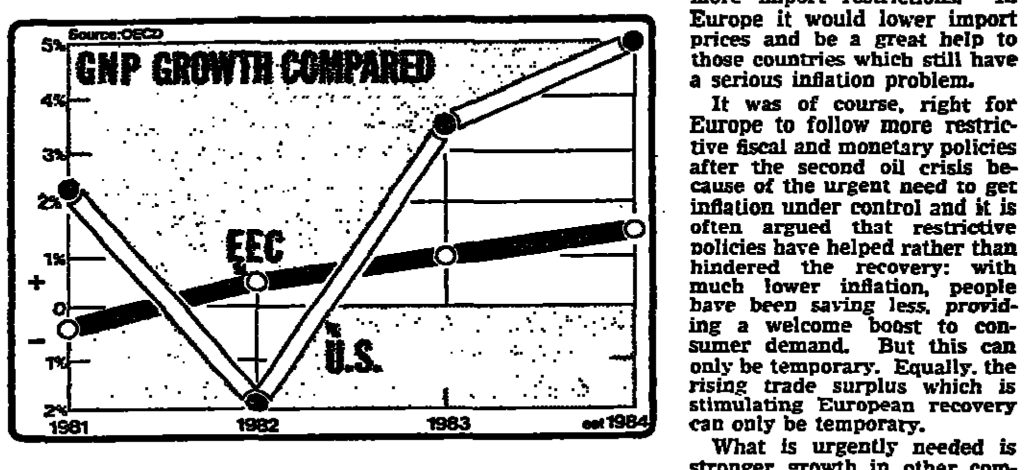
Many features of the European economy are cited as impediments to growth and change—for example, environmental and safety regulations. However, such things are often more than a matter of the form of the regulations than their economic consequences.

The main culprit is the downward rigidity of the general level of real wages in Europe, coupled with the high taxes needed to finance well-developed social security systems which have put a severe squeeze on corporate profit margins, and raised the price of labour relative to capital.

Profit margins can be restored only by keeping the rise *in real earnings below the rate* of productivity growth for a while. And this may only be possible if the rise in public expenditure is halted, so as to be able to stabilise or reduce the large bite that all kinds of taxes take out of people's real earnings.

In the U.S., things have been different. The overall burden of taxation is lower, and real incomes have adjusted more flexibly to the shocks of the 1970s. Indeed, it is hard to escape the conclusion that moderation in the growth of real incomes in the U.S. has been one of the reasons why 18m jobs have been created in the U.S. since 1973, while there was *a net loss of around 2.5m* jobs in the European Community.

High real wages would explain why employment has lagged in Europe, but not why growth has lagged. Here the most obvious reason lies in the striking difference between the



fiscal and monetary policies being pursued in this recovery compared with *the* previous one. Over the four years 1975-1978, the four largest European countries took net expansionary fiscal action equivalent to 1½ per cent of GNP (significantly more, allowing for multipliers).

This time around they have been reducing their cyclically adjusted Budget deficits by the equivalent of 2½ per cent of GNP. Governments argued that they needed to reduce interest rates, but real rates are up, not down. It is hardly surprising, therefore, that the recovery is proving much more robust in the U.S.—where fiscal policy has been strongly expansionary—than in Europe, where the reverse has been true.

*It is hard to escape the con*clusion that the main reason lies on the other side of the Atlantic.

Large U.S. structural budget deficits—or rather the expectation of large structural budget deficits—have, combined with the Federal Reserve's anti-inflationary monetary policy, *pushed up U.S. real interest* rates and the dollar to abnormally high levels.

Strongly disliking the inflationary impact of the decline in their currencies, European monetary authorities have felt it necessary to keep real interest rates high in order to keep even more money from flowing to the U.S. and pushing *their currencies down even* further. The difference from 1976-78 is particularly striking. Then, the dollar was weak, and the Europeans were trying to prevent their currencies from appreciating too much against it.

There is a sad and ironic paradox in this story. In Europe, *the real fiscal problem* is not so much excessive structural budget deficits; it is rather excessive and generally rising burdens of taxation. In the U.S. the problem is not so much an excessive burden of taxation (which is lower than in Europe); it is rather the prospect of excessive and rising structural budget deficits. It follows that a different mix of monetary and fiscal policies would be better for both Europe and the U.S.

Europe should concentrate on getting public expenditure under control, and should delay raising taxes to reduce structural budget deficits until the recovery has gathered more *momentum. The U.S. should* also take whatever steps are politically feasible to hold down public expenditure. But in sharp contrast to Europe, it should take strong action now to reduce prospective structural budget deficits by raising taxes (or, preferably, by substantially widening the tax base).

If strong and politically convincing action were taken on the U.S. budget, interest rates would drop and the Fed would be in a much better position to help them on their way down. In Europe, *less restrictive fiscal* policies would make it less urgent to get interest rates down. The monetary authorities could "lean against the wind" as U.S. interest rates fell to narrow still further the interest-rate differential in favour of the dollar, and thus help it on its way down.

The lower dollar would take the heat off hard-pressed export and import-competing industries in the U.S., helping to fend off rising political pressures for more import restrictions. In Europe it would lower import prices and be a great help to those countries which still have a serious inflation problem.

It was of course, right for Europe to follow more restrictive fiscal and monetary policies after the second oil crisis because of the urgent need to get inflation under control and it is often argued that restrictive policies have helped rather than hindered the recovery: with much lower inflation, people have been saving less, *providing* a welcome boost to consumer demand. But this can only be temporary. Equally, the rising trade surplus which is stimulating European recovery can only be temporary.

What is urgently needed is stronger growth in other components of domestic demand, especially investment. This requires lower interest rates and less restrictive fiscal policies. And the key point is that this is not, as many have argued, a contradiction in terms. Equivalent action to reduce structural budget deficits in the U.S. and increase them in Europe would—once the bull market for dollars is broken — tend to reduce, not raise, interest rates in Europe.

Those who think otherwise fail to take into account the powerful trans-Atlantic linkages between interest rates at work through the foreign exchange markets.

The key point is to develop policies which go to the heart of Europe's real problems, high real wages and public expenditure, without at the same time depressing demand. Otherwise, the rewards from success in dealing with these problems—more jobs and faster growth—cannot be reaped. It is a striking measure of today's economic interdependence between Europe and the U.S. *that this will not be* possible without a change in policies on both sides of the Atlantic.

The author, a British economist who was economic adviser to the Secretary-General of the OECD from 1975 to 1983, is a senior fellow at the Institute for International Economics in Washington, DC.

Letters to the Editor

TV franchise system

From Mr E. Wilson

Sir,—As a beneficiary of the ITV franchise review in 1967, a *participant in 1981 and* a definite non-starter in 1989 or whenever, I must urge the Home Office to ignore the Independent Broadcasting Authority-ITV companies current game of happy families.

Should the Home Office accept the rolling contract method — something the ITV companies have begged for years — it will be perpetuating the most lucrative of money monopolies. To quote the Annan report "rolling contracts would entrench the existing companies position still further. Only the threat of the loss of the franchise enables the IBA to be more than an ineffective finger wagger."

The reason *for* this easy option rearing its head again is typical Independent TV Companies Association opportunism. The IBA naturally wants to be involved in *direct* broadcast by satellite but cannot go it alone — it needs the ITV companies and their near-£1bn a year revenue. The ITV companies have seized upon this idyllic opportunity to achieve *self*-perpetuation and preservation. It currently suits the IBA bureaucracy to be rid of the fixed terms system as it avoids the microscopic reviews by the media and Parliament of its performance, which in 1981 left a great deal to be desired. The fact that the IBA made a mess of the exercise in 1981 does not affect the principle, simply the method.

One of the reasons that our commercial TV system is superior to those in other countries is that the moguls can lose and those that haven't got too old, too cynical or too complacent make sure they don't, to the benefit of the viewer and the system as a whole.

E. Stuart Wilson.
Beech House,
Crag Lane,
Huby, Leeds, Yorks

Semiconductor tariff

From the Consultant Director, Electronic Components Industry Federation

Sir, — Your article (March 6) on the semiconductor tariff omits mention of the second, linked, recommendation made to the Government by the electronics EDC — namely that it should seek agreement to the provision, by EDC or by national governments, of temporary selective support for manufacturers of semiconductors, to mitigate the inevitable "adverse effects" on them of the proposed tariff reduction.

It was only on the understanding that the Government *would pursue both recommend*ations that this federation taking account of the concern of its members producing printed circuits and other passive components and of its customers in the computer industry, agreed to acquiesce in the proposed reduction of the semiconductor tariff.

R. H. W. Bullock.
7-8, Savile Row, W1.

It's an unjust world

From Mr D. Toft

Sir,—Mr Wolman (March 2) *believes that a more efficient* way of making "the wealthy" pay their dues would be by stopping the issue of low-coupon gilts.

Mr Wolman might also tell us under what conditions "the wealthy," on a 75 per cent rate of tax, could be induced to buy Treasury Stock at say 10 per cent gross, retaining a net 2½ per cent, with inflation running at twice that level.

If the Chancellor should share Mr Wolman's distaste for state-sponsored tax-avoidance, The state would simply be unable to market its beastly paper, at least to those who do not equate investment with philanthropy. It would have to lump it. It's an unjust world, Mr Wolman, but you can only sell something if it's worth something to the buyer, even if you do call it "gilt-edged."

D. M. Toft.
The White House,
22 West Side,
Wimbledon, SW19.

Sauce for the goose . . .

From Mr H. Mainprice

Sir,—Mr Michael Stannard's excellent letter (March 5) quite properly points out that the Revenue will, in future, inevitably challenge any arrangement which is entered into *solely for a "fiscal purpose,"* which I take to mean a reduction in tax liability. But what about the reverse side of the coin? Customs and Excise have always adopted a step by step approach to VAT, particularly where this approach leads to the creation of a tax liability.

Consider the following situation. A single person is the controlling shareholder and managing director of two separate companies. The businesses are similar and neither company requires a large staff. The companies are, therefore, both managed from one location and share staff. The staff have contracts of employment with one of the companies and at the end of the financial year, accounts for the inspector of taxes are prepared, to show a true attribution of staff costs between the two companies (surely a fiscal purpose). As the business of both companies is in the financial sector, one being an insurance broking company and one being a finance house, they are both exempt from VAT. Customs, however, will say that allocation of staff salary costs from one company to the other amounts to a "supply of staff" for VAT purposes. The employing company must therefore *register for VAT and charge its* associate with tax on the salary costs attributed which that associate can not recover. Assuming that these were £57,500, Customs *will contend* that a charge of £7,500 has been created. Quite clearly, there has been no "business purpose" to give rise to this charge of VAT.

One wonders whether the House of Lords would follow Furniss and Dawson in these circumstances and, on the principle that what is sauce for the goose is sauce for the gander, hold that no tax was chargeable?

H. H. Mainprice.
Vatax Advisory Services,
11, West Halkin Street, SW1.

Tamils in Sri Lanka

From the Chairman, Tamil Rescue Appeal

Sir, — May I be permitted to correct a few errors that mar an otherwise excellent analysis of the current unstable socio-political state of Sri Lanka by Alain Cass *(February 23)* and to add a few comments?

The map of Sri Lanka, as well as the associated comments, are inaccurate in that the Tamil area is not the small area "less than 100 square miles of the peninsula to the north of Elephant Pass." The traditional Tamil areas where the Tamils remain a majority (despite a programme of mass colonisation sponsored by successive Sinhalese majority Governments which has had as its objective the erosion of the Tamil majority in these areas) are the north and east of the island. These areas are about 5,000 *square miles in extent.*

There has no "historic rivalry betwene Tamil separatists and the island's Sinhalese majority." The call for separation was only raised by a political party representing a significant proportion of the Tamils as late as 1977, after all attempts at negotiations for the restoration of the Tamils' basic rights had failed.

The "skilful diplomacy" of Mr Jayawardene has been consistently used over the past 27 years to prevent any Sinhalese party in power from achieving a peaceful settlement with the Tamils.

*Regrettably the Tamil leader*ship has not shown "consummate skill": the call for separation has been thrust upon it by the Sinhalese extremists on the one hand, and the militant Tamil youth, despairing of a political solution within the framework of a unitary state, on the other. It is Mr Jayawardene who has shown skill in using the fine natural harbour of Trincomalee, in the heart of the Tamil area, as a bargaining counter to enlist the support of the U.S. for the repressive campaign against the Tamils. It is to further these designs that one presumes he has insisted that in any negotiations Trincomalee must remain under the control of the (Sinhalese) central Government.

C. J. T. Thamotheram.
PO Box 208, London, WC1.

Incendiarists at work

From the Director, Fire Protection Association.

Sir,—You reported (March 2) on the continuing high level of fire damage in Great Britain.

It is interesting to note that if you discount for inflation and even allowing for the enormously high cost (uninsured) of a single fire at an army warehouse depot, the fire losses in Britain last year were substantially lower in actual terms than they were 10-15 years ago.

The truth of the matter is that, thanks to the efforts of Government, fire service, insurers and such bodies as the FPA, industry and commerce have now actually succeeded in reducing losses from accidental fires. It is worth making this point because it will encourage the many thousands of fire professionals in industry who are today working effectively to control fire losses.

We have, however, one big problem remaining. It is arson. Fires begun deliberately now account for some 45 per cent of the major fires in Britain. A similar situation exists in other "developed" countries — part of the general pattern of lawlessness we all deplore.

In Britain arson manifests itself chiefly as vandalism. All types of occupancy are vulnerable although warehousing premises and public-sector property (notably schools) are the worst *sufferers at the hands of the* incendiarists.

The FPA has been warning on arson for several years and is at the forefront of Europe-wide efforts to control this scourge of our times.

C. Douglas Woodward.
Aldermary House,
Queen Street, EC4.

FINANCIAL TIMES

Thursday March 8 1984

Sonesson to buy major stake in Gambro

BY DAVID BROWN IN STOCKHOLM

SONESSON, the Swedish engineering and holding company majority owned by Volvo, is paying SKr 330m ($43m) for a large stake in Gambro, the fast-growing maker of kidney dialysis equipment.

The deal will give Sonesson 23.6 per cent of the voting power in Gambro and 8.4 per cent of its shares. The group also has an option to buy an additional 200,000 shares for at least SKr 300 a share, bringing its total voting power to 30.9 per cent and its shareholding to 9.9 per cent.

Under the agreement, Mr Hans Erik Ovin, Sonesson's managing director, will become chairman of Gambro. He will replace Mr Anders Althin, who will remain as managing director. The Crafoord family, which founded Gambro in 1965 and from which Sonesson is buying its stake, has said it no longer wishes to remain on the board.

Sonesson recently announced a rights issue to raise SKr 675m. Mr Ovin said the proceeds would be used for further acquisitions in pharmaceuticals.

The group has been actively expanding in this sector, acquiring Leo, a small Swedish drug company, last September. Last month, it bought Ferrosan, a research and development group.

The two companies will be merged into a separate division, with combined annual sales of SKr 800m, and will be floated in 1985. They are now highly dependent on the Swedish home market, and Mr Ovin said Gambro's international marketing network could help the new unit to expand.

Gambro may co-operate with Leo in the development of cancer treatment products and in the international marketing and registration of new Gambro medical products, Mr Althin said.

The Gambro purchase involves a total of 800,000 restricted A shares (including the option) and 500,000 B shares, all of which will be held equally between Leo and Sonesson.

Gambro is the world's leading manufacturer of kidney dialysis equipment, with 20 per cent of the market. It achieved a 41 per cent increase in pre-tax profits to SKr 156m last year on sales of SKr 1.27bn. Gambro is listed on the New York over-the-counter market, where trading in its shares was suspended on Tuesday.

Sonessons, an independently managed member of the Volvo group, was acquired as part of the motor group's 1981 merger with Beijerinvest. Its profits last year increased by 58 per cent before extraordinary items and taxes to SKr 22m on sales of SKr 2.97bn.

Trading in both companies was suspended yesterday on the Stockholm bourse.

Stock markets, Page 35

David Lascelles examines the prospect of more volatile UK lending rates

Why Barclays favours a market link

The Bank of England yesterday cut its dealing rate in the bill markets by ¼ percentage point, a clear sign that it is happy to see UK interest rates come down. Only one British bank, however, yesterday followed the lead set by Barclays on Tuesday when it cut its base lending rate by ¼ point to 8¾ per cent. That bank, moreover, was Bank of Scotland, in which Barclays holds a large minority stake.

BARCLAYS prides itself on being a bit more imaginative than the other UK retail banks, and its decision to tie its base lending rate more closely to money market movements is eye-catching. Whether it will be matched by many other banks, let alone lead to a revolution in overdraft and loan pricing, is another matter.

The move takes one step further the steady shift by the country's banks over the last 10 years away from loans carrying "posted" rates to much more flexible pricing where the interest rate can change as often as every day.

This has been prompted, as much as anything, by the unprecedented ups and downs in interest rates recently and the desire among both borrowers and lenders for more room to manoeuvre. Banks also want more market-related loans to match their growing reliance on money bought in the market because of a loss of deposits to the building societies.

Instead of waiting for market rates to move far enough to justify a ½ percentage point change in base rate – the usual minimum – Barclays will in future keep its rate as close as possible to the three-month interbank rate, the key indicator of the cost to banks of wholesale funds.

Mr Geoffrey Miller, Barclay's deputy general manager, finance and planning, who helped plan the new scheme, said that ideally Barclays would like to keep them synchronised. But there may be a gap of ⅛ or ⅜ between them.

This means that the cost of Barclays overdrafts and loans will change more often, but by quite small amounts. Whether it will actually result in cheaper or dearer loans for Barclays customers depends on how interest rates move. Borrowers will feel the troughs and peaks of interest rates more keenly, but may on average pay much the same as other banks' customers.

The new tactic gives Barclays a way of gaining or shedding market share quite quickly, although it would be unlikely to leave its rates out of line for too long.

Had Barclays applied its formula strictly last year, its loans would have been dearer. According to the bank's own calculations, the three-month interbank rate averaged 10.19 per cent in 1983, but base rate averaged 9.82 per cent, which is a wider gap than the formula would have permitted.

There is an instructive parallel in what Citibank tried to do in the U.S. in the late 1970s. Responding partly to allegations that banks pulled their prime rate "out of a hat," Citibank instituted a system of calculating its prime every Tuesday morning on the basis of the prevailing rate for three-month certificates of deposit.

But the experiment was a failure. Citibank's prime changes became so conspicuous that they merely ended up boxing the bank in. So the scheme was dropped. But it does suggest that Barclays' every little move will be closely picked over – and possibly endowed with more importance than it warrants.

The change was apparently made without consulting the Bank of England, even though it means that Barclays' base rate could now change with every twist and turn of the market rather than only after the big shifts engineered by the Bank for monetary reasons. (The Bank actually deals in the bill market rather than the interbank market, but the two move virtually in step).

But the central bank seems to be happy with the general move towards more market pricing of loans. Its background paper on monetary control published in 1980, the gospel on the subject, says that the new methods adopted then "would allow market factors a greater role in determining the structure of short-term interest rates. It is accepted that this could lead to more flexible, market-related pricing of overdraft facilities."

Barclays' own figures illustrate this trend. According to Mr Miller, about a quarter of the bank's loans are now linked to the market rather than the base rate; a few years ago this share would have been negligible.

Most of these are medium-term (five to seven-year) loans where the rate is adjusted every quarter on the basis of the three-month interbank rate. But blue-chip customers can also get short-term loans for as little as one day which are priced at a margin over the cost of equivalent funds in the market.

Other banks offer similar loans, which is why they will be watching the Barclays experiment closely.

French workers to strike

By David Housego in Paris

TRAIN AND AIR services are expected to be cut in France today, schools partially closed and refuse left lying in the streets as a result of a nationwide one-day strike by public sector employees.

All but one of the major unions are supporting the strike which is potentially the largest in the public service since the Left came to power two-and-a-half years ago. It is being called in protest at the Government's attempts to end the virtual indexation of wages to prices.

The strike was initially proposed by the Communist-led CGT union and the centrist Force Ouvriere in response to what the unions considered an inadequate government offer last week to make good 1983 losses in purchasing power for the country's 4.5m public employees.

But the call for strike action has since spread to the state rail network (the SNCF), the airlines, the Paris Metro, the electricity authority (EDF) and the postal services (the PTT).

The strike will test the unions' ability to rally their rank and file.

If it gains widespread support, the unions – and the CGT in particular – can be expected to step up industrial action in the public and the private sector, where as yet few wage settlements have been agreed this year.

The unions have chosen to make the public sector the test case because of the job security enjoyed by public employees.

The Government's gamble is that French public employees have suffered far less during the recession than their counterparts elsewhere in Europe and are in no mood for militant action.

Paris has thus dragged out the negotiations over implementing the "safeguard" clause in last year's wages settlement and over this year's wage claims in the hope of defusing the issue. If the Government senses an apathetic response today, it will toughen its position over pay and call on the private sector to do the same.

Deficit for Britain's export guarantor

BY CHRISTIAN TYLER IN LONDON

BRITAIN'S EXPORT Credits Guarantee Department, which supports a third of British exports, was in the red yesterday; stripped of its last cash reserves and borrowing from the consolidated fund.

It is the first time in 30 years that the department has gone into the red. Officials privately estimate that the deficit could reach £100m ($148m) by the end of this year and £200m to £300m before the corner is turned in 1985-6.

But the length and depth of the department's borrowing depends on the unpredictable speed with which the developing world's debt crisis is resolved. Not least, it depends on a successful outcome of current negotiations with Nigeria, where the ECGD faces exporters' insurance claims of £600 to £800m.

The department, a separate ministry reporting to Mr Paul Channon, Trade Minister, has been warning for months that it was heading for a deficit on its combined accounts. But it was only yesterday that officials were notified that the line had been crossed.

Mr Channon, anticipating yesterday's news, declared recently that the department's financial position was secure. His statement was seen as an unusual effort to reassure exporters that their claims would be met and the British taxpayer that no government rescue would be needed.

The cost of the ECGD's overdraft will be met out of interest income from countries which have rescheduled their trade debts, from the recovery of overdue payments, and from premium income.

New premium rates will be announced to exporters in the next two or three weeks. Although an increase is expected, it is unlikely fully to reflect the ECGD's bleak current account position.

The department had assets of £863m at the end of the 1982-3 year most of that, however, is in the form of payments blocked in central banks outside the UK. These are regarded as secure if only because no country has yet repudiated its foreign debts.

Meanwhile the department will be paying an undisclosed "commercial" rate of interest to the consolidated fund, a notional transfer in the sense that it will be added to the borrowing.

Like other export credit agencies, the ECGD has been hard hit by political or economic events in Iran, Poland, most of Latin America and much of Africa, as well as by bankruptcies in the U.S. and southern Europe. About half of the world's 40 agencies were showing a cash flow deficit at the end of 1982, and the position has got worse since then.

The ECGD's plight will lend added interest to the imminent recommendations of a government-appointed committee considering the department's future status and the possibility of greater co-operation – throught reinsurance, for example – with the private sector. The report of the committee, headed by Sir Peter Matthews, chairman of Vickers, is expected early next month.

The 1982–3 trading results of the ECGD showed that claims nearly doubled to a record £584m, of which £370m was due to political causes of loss. Its total commitment or exposure is around £32bn, of which nearly 60 per cent is in 150 countries rated as risky markets.

As if to underline the point, it emerged yesterday that the ECGD has virtually stopped insuring exports to the Philippines. Cover has been restricted to short-term trade only, guaranteed by irrevocable letters of credit.

French cable TV is all in a tangle

Continued from Page 1

the same time to install optical fibre cables.

But M Dondoux had strong misgivings over France's other long-term television project using direct broadcasting by satellite (DBS). This programme was launched as a Franco-German venture under the former President Giscard d'Estaing during the height of the Paris-Bonn entente.

The French DBS satellite called TDF1, however, will be extremely costly (already FFr 1bn has been spent), offers only a limited number of three channels, and is already seen by some PTT officials as "archaic" technology.

Unlike telecommunications satellites, the television satellite is far heavier and hence more costly. Moreover, the trend, especially in the U.S., is to use so-called mixed telecommunications and television satellites.

If the dispute over the technical choices for developing new television channels and related video applications has now come out in the open, an even fiercer political battle is taking place behind the scenes.

The political manoeuverings results from the Socialist's landmark decision to lift the French state monopoly on television programme production and to give local authorities the responsibility for wiring their areas. The Government has yet to spell out the precise rules of the game.

Some municipalities, in the meantime, are already negotiating deals with, among other groups, the large private French water distribution companies. These groups see a major opportunity in cable in that they own the underground water arteries through which cable can pass.

Leading left-wing politicans, led by M Gaston Defferre, the veteran Interior Minister, see a possible serious political threat in cable television. M Jacques Chirac, the mayor of Paris but also the leader of the main opposition RPR neo-Gaullist party, has already said he wants to wire 500,000 households in Paris with cable television by 1989.

At a recent cabinet meeting, M Defferre asked M Louis Mexandeau, the PTT minister, if he realised the political gift cable represented for M Chirac and other leaders of right-wing held local administrations in France.

While the cable programme could represent an important business opportunity for foreign television programme producers and independent French producers, the powerful French cinema lobby is also stirring in the wings. The domestic film industry, which has been enjoying a boom in recent years, fears cable could be a threat to its continuing growth and prosperity.

"We certainly don't want to see our film industry end up the way of Cinecitta in Italy," M Bernard Schreiner, the Socialist party deputy who heads a government commission on cable television, said referring to the financial collapse of the big studios outside Rome.

M Schreiner, who is also known as "Mr Cable" in France, said the Government was anxious to prevent a state of anarchy developing around the new cable industry. But he aknowledges France is about 15 years behind any other countries with cable.

"The essential problem is to avoid the Italian example of unbridled development of private television stations which risks undermining and destabilising the advertising market and even newspapers," he said.

Fed intervened to aid D-Mark

By Paul Taylor in New York

THE U.S. monetary authorities disclosed yesterday that they intervened in the foreign exchange markets on three occasions during December and early January spending a total of $193.4m to support the D-Mark and restore order to the markets.

The action, revealed in the New York Federal Reserve Board's regular foreign exchange operations briefing, came during a period when the D-Mark was falling sharply against the dollar – dropping by 11 per cent to DM 2.8505 by January 10 from its October high of DM 2.5620. The U.S. intervention was undertaken in consultation with the Bundesbank which has also been active in the foreign exchange markets in support of the D-Mark.

Total oil group to break even

By Paul Betts in Paris

THE FRENCH Total oil group, Compagnie Francaise des Petroles (CFP), reported last night a marked improvement in its financial performance in 1983. It said it expected to break even last year after reporting a net group loss of FFr 1.07bn ($135m) in 1982.

The oil group also reported last night higher earnings for the CFP parent company of FFr 524m last year, compared with parent company earnings of FFr 441m in 1982.

The parent company increased its net dividend on the previous year by one franc to FFr 16 per share. The company said cash flow had declined to FFr 3.36bn in 1983 from FFr 3.59bn in 1982.

The parent company marketed 43m tonnes of crude last year compared with 44m tonnes in 1982.

Consolidated group figures for 1983 are due to be released in May, the company said last night.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	14	57	Dubrovnik	S	11	52	Malaga	—	—	—	Salzburg	Sn	3	37
Akrotiri	F	17	63	Faro	S	15	59	Malta	S	15	59	Seoul	F	6	43
Algiers	F	14	57	Florence	S	15	59	Manila	F	31	88	Singapore	R	31	88
Amsterdam	F	7	45	Frankfurt	C	8	46	Miami	C	26	79	Stockholm	F	2	36
Athens	C	14	57	Funchal	F	28	82	Milan	S	13	55	Strasbourg	C	7	45
Bahrain	F	29	84	Geneva	—	—	—	Moscow	Sn	-2	28	Sydney	F	27	81
Bangkok	F	33	91	Gibraltar	S	15	59	Munich	C	3	37	Taipei	R	20	68
Barcelona	—	—	—	Guernsey	C	9	48	Nairobi	—	—	—	Tangier	F	17	63
Beirut	F	24	75	Helsinki	F	-1	30	Naples	F	12	54	Tehran	—	—	—
Belgrade	C	4	39	H. Kong	C	17	63	New Delhi	F	29	84	Tel Aviv	F	19	66
Berlin	F	7	45	Innsbruck	S	6	43	New York	F	7	45	Tenerife	F	21	70
Biarritz	S	11	52	Inverness	C	8	46	Nice	S	14	57	Tokyo	C	10	50
Blackpool	F	8	46	Istanbul	R	4	39	Oporto	S	19	66	Toronto	F	1	34
Bordeaux	S	10	50	Jersey	C	9	48	Oslo	S	5	41	Tunis	C	12	54
Brussels	C	8	46	Jo'burg	F	30	86	Paris	F	15	59	Valencia	S	17	63
Budapest	F	9	48	Las Palmas	—	—	—	Prague	R	4	39	Venice	S	7	45
B. Aires	C	32	90	Lima	F	24	75	Reykjavik	D	6	43	Vienna	C	6	43
Cairo	C	22	72	Lisbon	S	14	57	Rio de J'o	C	36	97	Warsaw	C	8	46
Cape Town	S	21	70	Locarno	—	—	—	Rome	S	16	61	Zurich	—	—	—
Caracas	C	29	84	London	C	10	50								
Casablanca	F	18	64	Los Angeles	F	26	79								
Copenhagen	F	8	46	Luxembourg	C	7	45								
Corfu	S	14	57	Madrid	F	16	61								
Dublin	C	15	59	Majorca	—	—	—								

Readings at mid-day yesterday:
C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

Britain's role in CAP

Continued from Page 1

failure to reach agreement on EEC reform at the Brussels summit later this month.

He believed that Britain's presence in the EEC was more necessary than ever. Every country had to make sacrifices, however, and Britain had to be prepared to do so.

M Chirac's declaration was intended to strengthen President François Mitterrand's hand in the bargaining at Brussels, but there is not doubt that it also will make it much more difficult for M Mitterrand to accept compromises that demand sacrifices of French farmers.

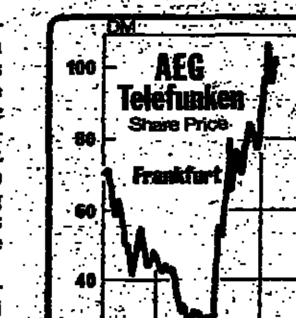
As a former Agriculture Minister and head of the party that draws its main support from rusal areas, M Chirac is the most closely identified of the French opposition leaders with the farmers' lobby.

He claimed yesterday that M Michel Rocard, the Agriculture Minister, would prefer to "sell out" French farmers' interests than to see the Brussels negotiations end in total failure.

M Rocard has recently embarked on the difficult task of explaining to French farmers the cuts in milk production and earnings that would be involved in any Brussels settlement.

THE LEX COLUMN

Negative feedback for Mr Volcker



Mr Volcker's ironic ability to undermine the U.S. bond market with a few carefully drafted words was back in evidence yesterday. The mere act of speculating in public about the fragility of foreign investment in the U.S. Federal deficit these days seems sufficient to knock the stuffing out of the long bond – and to make Mr Volcker's own responsibility as funder of the deficit even more difficult to fulfil.

Mr Volcker's congressional appearance last month emphasised the instability of a dollar which has been supported by high running yields in the bond market. It is now that much easier to sow suspicion that lifting yields further in order to fund may have the opposite effect, by persuading investors that bond prices will fall fast enough to bring down total returns – a point at which funds help to validate the prophecy by running backwards out of dollar securities.

The fresh ingredient yesterday seems to have been the Fed chairman's indication that the U.S. real economy is vigorous enough to withstand a monetary tightening. The fact that falling bond prices could be accompanied by short-covering in the dollar looks like a reflex left over from the long period when the Federal deficit has been accepted as an international vacuum.

In London it would be difficult at present to find any institution which really thought that the relative cheapness of U.S. bonds was a reason to switch out of gilt-edged. On the contrary, there seems to be a fair amount of traffic in the opposite direction, as U.S. investors lock depreciating dollars into the gilt-edged market. Even on a day when the outlook in London was complicated by base-rate hesitations, and the short tap was probably only half-subscribed, the gilt-edged market held far firmer than would have seemed possible a few months back. Like the clearing banks, apart from Barclays and its Scottish friend, the gilt-edged market is playing things quietly in the last week before the budget.

Trafalgar House

No sooner had the banns been read in January for Scott Lithgow's shotgun marriage to Trafalgar House than it was clear the congregation would be packed with objectors. Faced with this potential embarrassment, the Whitehall officials hoping to preside over the ceremony were presumably as delighted as anyone yesterday to learn of the deal struck between Trafalgar and its one remaining rival suitor.

Perhaps, too, having Howard Doris installed as a lodger, with 25 per cent of Scott Lithgow to Trafalgar's 75 per cent, might add to the eventual prospects of conjugal bliss on the Lower Clyde.

Apparently these prospects already seem real enough to the two joint bidders. A material purchase price, perhaps £10m, is therefore in the offing over and above the development costs of the yard which will surely be the main financial burden.

At least British Shipbuilders, in handing over Scott Lithgow, will be retaining most of its voluminous files of dissatisfied customers' correspondence – including BP's claim for £85m compensation announced last week. But the purchase still seems as bold as any in Trafalgar's acquisitive record.

If feast replaces famine in the market for new offshore rigs by 1986 – as the schedule for some of the North Sea's marginal fields promises – than certainly Trafalgar and Howard Doris together ought to have a stronger technical and marketing clout than either could wield alone.

Meanwhile, Scott Lithgow's Britoil rig might just help them both keep the wolf from the door of their other offshore yards. Trafalgar's shares closed unchanged at their 1983-4 high of 225p.

AEG/Thomson

It is a year almost to the day since AEG announced that it was selling – or rather donating – 75 per cent of its Telefunken subsidiary to Thomson Brandt. The German company and its creditors were then scrambling to rescue what they could from an industrial wreckage.

Now AEG is apparently to receive a small Thomson shareholding in exchange for the remaining 25 per cent. Besides adding a further block to the increasingly complex structure of Europe's electrical goods industry, the asset swap confirms AEG's status as a company on the mend.

The recovery in AEG's share price over the past year has been nothing less than spectacular. Yet the improvement in the company's fortunes has been only one element in the price movement. Hopes of a takeover have not entirely evaporated and, since the banks are reluctant holders of the majority of the equity, stock is in short supply.

AEG is by no means out of the wood yet. The company is expected to have broken even in 1983, but only by dint of an interest waiver agreement that expires this autumn. And, although cash flow was probably positive, it will hardly have made much dent on a debt mountain which totalled almost 10 times shareholders' funds, even after the last capital reconstruction. AEG will undoubtedly need a fresh injection of equity before long. The question is whether other institutions can this time be persuaded to share the burden with the banks.

ICI

ICI's return to health shines through in every page of its 1983 report and accounts. The chairman, photographed in lugubrious black and white for the 1982 edition, now appears in glorious colour, decked out with a jaunty tie and a winning smile. And the accounts themselves provide every justification for the more confident style.

The group showed a cumulative cash outflow of £718m during 1979 and 1980. Having returned roughly to cash neutrality in the subsequent two years, it is at last seeing the fruits of all its labours. Last year's cash surplus was no less than £482m. Working capital was held steady, the depreciation charge exceeded net capital spending by £134m, and the benefits of improved prices and cost control flowed to the bottom line without too much interference from the tax charge.

ICI's cash performance, although extremely impressive, is not untypical of industry at large. It must, however, be galling to the management that all its energies have brought current cost earnings per share in 1983 precisely back to the level of 1979.

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SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday March 8 1984

Spectacular debut for record retailer on London exchange

BY WILLIAM DAWKINS IN LONDON

OUR PRICE, the London-based chain of 77 record and tape shops, has made a spectacular entry to the Stock Exchange charts.

Investors put up a total of £74m ($108.7m) for its £2.45m offer for sale by tender of 1,633,500 shares. At the minimum tender price of 150p per share, the offer was oversubscribed 20.3 times.

The striking price has been fixed at 215p, at which level the offer of 25 per cent of the company's capital was oversubscribed 15.1 times. The company is valued at £14m. The bulk of tenders came in at 220p, and a large number of subscriptions were for less than 800 shares.

"People have voted here with their chequebooks. Some of our customers were subscribing for shares and we even had taxi-drivers coming in off the street to put their names down for the offer," said Mr Gary Nesbitt, chairman of Our Price. The 44,000 shares which Mr Nesbitt is selling are worth £94,600 at the striking price.

Mr Michael Isaacs, the deputy managing director, is selling a further 41,000 shares for £88,150.

Midland Bank Industrial Finance is the biggest seller. It is disposing of 562,500 shares, half of its stake in the company, bringing its holding down to 8.6 per cent.

Two private shareholders are selling stakes of a similiar size to that of Mr Isaacs. The balance of the offer consists of 965,000 new shares, which will raise about £1.5m net of expenses

The cash is earmarked for further expansion, including the possible purchase of 50 shops

Merchant bankers Morgan Grenfell arranged the offer and the brokers are Scrimgeour, Kemp-Gee. Dealings are expected to begin next Monday.

A large number of private investors subscribed for the offer, and the two principal directors will become paper millionaires. The offer makes Mr Nesbitt worth £2.8m and Mr Isaacs worth £2.6m.

RCA takes steps to block hostile bids

BY PAUL TAYLOR IN NEW YORK

RCA, the U.S. broadcasting, publishing and electronics group, will ask shareholders at its annual meeting in May to adopt measures designed to thwart an unwelcome takeover bid.

The move follows speculation that RCA, which late last year announced plans to sell its CIT Financial unit to Manufacturers Hanover for $1.5bn, might become a takeover target.

The speculation has been fuelled partly by the activities of Mr Irwin Jacobs, the Minneapolis investor, who has built up a minority holding in the company, thought to be between 1.2 per cent and 4 per cent. The figure is below the 5 per cent level requiring a Securities and Exchange Commission filing. As a result RCA's share price has increased sharply from a low last year of about $19 to a high of $38⅞.

Yesterday, after RCA's proxy statement and rumours that Mr Jacobs had sold his stake, the shares, which had been suspended on the New York Stock Exchange, reopened at $30¼, down $1⅜.

Among the specific measures RCA is asking shareholders to approve is a "fair price" provision designed to ensure that any multiple-step attempt to acquire the company be made only on terms that are fair to all shareholders. The provision is designed to block bids involving a two-tier share price offer

Under the terms of the RCA proposals, if the fair-price provision is not met a merger could only be approved by an 80 per cent shareholder vote or by a majority of directors not connected with a potential bidder.

A separate provision would require the introduction of staggered terms of office for directors which is designed to make it more difficult for a potential shareholder to gain control.

Threat to Warner deal

BY OUR NEW YORK STAFF

THE U.S. Federal Trade Commission (FTC) is to try to block the proposed merger of Warner Communications' record division and Polygram Records, the fourth largest record group, jointly-owned by Philips of the Netherlands and Siemens of West Germany.

Warner described the FTC decision as "surprising," and said it would fight it in court. Only Mr James Miller, the FTC chairman voted against the move.

The FTC charged that the proposed merger would substantially reduce competition in the record and tape divisions of the music industry.

It will file a complaint in the U.S. District Court for Central California this week asking for a temporary restraining order and a preliminary injunction to halt the merger, which is due to be completed after March 12.

Pirelli's Italian losses increase

By Alan Friedman in Milan

PIRELLI, the leading Italian tyres and cables group, revealed yesterday that its Italian business plunged deeper into loss last year.

Industrie Pirelli SpA, the Italian company, will show a bigger loss in 1983 than the L15bn ($9.5m) recorded in 1982. The outlook has improved for this year, but Pirelli is not confident that its domestic tyres division can make a profit in 1984.

Industrie Pirelli SpA last year recorded sales of L2,098bn, representing 35 per cent of group sales. Losses in the tyres division wiped out gains in the Italian cables business.

Pirelli yesterday refused to disclose its 1983 group profits, but said they were higher than those for the previous year. Because the group has in the past revealed only partial information for its domestic and overseas holding companies, it is not possible to make meaningful comparisons. As part of a major restructuring, however, it is shifting its financial year-end to June 30, and promised yesterday to unveil its first consolidated group accounts for the year which ends this June.

A breakdown of Pirelli's L5,907bn total sales, shows, that, as in 1982, 43 per cent of last year's group sales came from cable, 42 per cent from tyres and 15 per cent from other products.

Some 68 per cent of sales were in Europe, 6 per cent in North America, 24 per cent in South America (where Pirelli has as a major subsidiary in Brazil) and 2 per cent in Australia and Africa.

The investment, which forms part of a three-year capital spending programme extending to 1985, contrasts with last year's expenditure of $120m. The 1984 investment is to be financed from cash flow.

The company is considering acquisitions and has not ruled out the purchase of a company in the U.S. A senior Pirelli executive refused to be more specific, saying only that "nothing is ruled out."

Pirelli's forthcoming rights issue, designed to raise L44.6bn by next month, will be used either for future acquisitions or for new joint ventures abroad. The issue is part of an overall L85bn share capital increase, to be completed by 1986.

Coutinho, Caro statement due

By Our Frankfurt Correspondent

COUTINHO, CARO, the privately-owned West German steel trader and engineering concern, is reported to have held discussions about a possible takeover by U.S. interests.

The Hamburg-based group yesterday declined to confirm or deny the reports, which have been circulating in West German business circles, but said a statement would be issued today.

U.S. BANK LAYS FOUNDATION FOR WORLDWIDE STOCKBROKING BUSINESS

Citicorp ahead of the pack in Far East

BY DAVID LASCELLES IN LONDON

CITICORP's acquisition of Vickers da Costa, which has now cleared the hurdle of Japanese Government approval, strikes another blow at the barrier between stockbroking and banking and should lay the foundation for the worldwide stockbroking business the U.S. bank group wants to build up.

Citicorp sought Vickers, the London-based stockbroker, for its strong Far East presence. One of the most intriguing aspects of the deal is what it will do for the bank's already formidable presence there.

It may be no exaggeration to say that the tie-up will help to make Citicorp the dominant banking force in a market that stretches thousands of miles from Japan to Indonesia, ahead even of locals such as Hongkong Bank and the big Japanese banks. These banks may be ahead in sheer size, but they are nothing like as ubiquitous. Vickers itself is small but it takes Citicorp into a business its competitors have barely touched on.

Citicorp, through its Citibank subsidiary or Capital Markets Group seems to be everywhere from downtown Tokyo to the humble street corner in Kowloon. It is by far the largest foreign bank in most countries (a notable exception being Thailand, where its plans to buy Hongkong Bank's local business have just gone awry).

In several countries it has taken the plunge into retail banking, making it a "local" bank. On the wholesale side, it usually runs close to the top of the loan league tables. By its own count, it made $11.3bn of securities underwriting and syndicated financings in the Asia-Pacific region last year. It even has a bigger Euroyen bond business than any Japanese bank.

Citicorp says it wants to buy another Californian savings and loan association to add to its acquisition in 1982 of Fidelity Savings & Loan of San Francisco, now renamed Citicorp Savings.

Ms Betty Sue Peabody, president and chief executive of Citicorp Savings, said the thrift wanted an S & L in the Los Angeles-Orange County area.

Ms Peabody, speaking to analysts in New York, said Citicorp would like to add a thrift with about 40 branches. She predicted that Citicorp Saving's assets would rise from $3.3bn at the end of last year to $8bn by 1987, while branches would virtually double from 91 to 180.

"We see ourselves out there as an Asian bank rather than a U.S. bank with Asian Branches," said Mr Dick Huber, group head for the Asia-Pacific region.

Citicorp's big push into the Far East is not new. The bank has been around since the turn of the century, almost as long as some of the British colonial banks. And being in early pays off: Several countries, such as Malaysia, Singapore and Thailand, now refuse to allow foreign banks to open more branches, putting latecomers at a distinct disadvantage.

Citicorp's well-known aggressiveness has been particularly evident in Japan – a frustrating market for foreigners who have never been able to capture more than 3 per cent. The Vickers deal marks a stab in a completely new direction. Even the Japanese banks had never dared to probe the law that forbids them to be involved in securities.

Boldness paid off. Citicorp will shortly own one of the few foreign stockbrokers with a licence to do business in Japan. The Ministry of Finance has made clear that approval sets no precedent, so any Citicorp rival planning a catch-up may have to wait.

Like other U.S. banks, Citicorp is also trying to get into Japanese fund management and government bond dealing.

But while Vickers opens up huge opportunities on the Tokyo market, things move slowly there. In the short run, Citicorp will probably make more of the Vickers connection in Hong Kong, where both bank and stockbroker are well entrenched. Mr Victor Menezes, country corporate officer, describes the colony as "a perfect laboratory" for the bank to experiment with its new acquisition.

Details have still to be worked out, he says. But clearly there is ample scope for Citicorp to expand corporate finance services and offer plain stockbroking to Hong Kong's fanatically enthusiastic investors through its 33 branches.

Mr Menezes occupies a spacious office atop a new 37-storey headquarters, a prestigious, if costly, embodiment of Citicorp's confidence that the colony will not vanish after 1997. Citibank is still making 20-year mortgages, although Mr Menezes says its overall approach "is a bit more cautious now."

What specially singles out Citicorp from other foreign banks in the Far East is the scale of its retail business: it has large local branch networks in Hong Kong, Singapore, Indonesia and the Philippines, and conducts other forms of retail business, such as credit cards, in other countries.

But that is something of a Citicorp hallmark. It has invested millions in proprietory retail banking technology (its Far East branches have exactly the same automated telling machines as those in Manhattan) and sees retail deposits as a cheap source of funding.

In Hong Kong, Citibank boosted deposits by 40 per cent last year, according to Mr Menezes, and has now virtually pulled out of the more costly interbank market. Ironically, this makes Citibank a beneficiary of the agreement among local banks on maximum deposit rates, which it often criticised as unfair.

That is not to say that Citicorp finds the Far East a source of easy profits. Most of its competitors make more money in Japan by staying small. In 1982, Citicorp also made nearly twice as much money on a similarly sized business in Latin America, where returns (and risks, of course) are higher.

Operating in the Far East also has its hazards. Citibank came into friction with the notoriously strict Monetary Authority of Singapore last year over "round-tripping" of Singapore dollars. Its recent refusal to pay deposits from its Manila branch has caused a storm in the international banking community. Citibank blamed Philippines exchange controls, but other bankers say that excuse is ingenuous and probably stems from Citibank's wish to be seen as a "good boy" by the local authorities.

The Far East currently accounts for about a quarter of Citicorp's $130bn empire, and about the same proportion of profits. But that share might increase.

The U.S. itself may provide Citicorp with its biggest opportunities in the next few years as deregulation opens up the market. But the Far East should not be far behind.

J. P. Morgan loses U.S. pension fund

BY WILLIAM HALL IN NEW YORK

J. P. MORGAN, the biggest money manager of all the U.S. bank holding companies, has lost one of its biggest accounts, the New York State Common Retirement Fund, the second biggest pension fund in the U.S.

Morgan Guaranty, the banking arm of J. P. Morgan, confirmed yesterday that the fund had ended its relationship. The bank refused to comment further except to indicate that according to its calculations its equity investments have performed better than the market.

In 1983, Morgan's equity accounts rose by 22.7 per cent compared with a rise of 22.6 per cent in the Standard & Poors (S&P) 500 index, in 1982. Morgan reports a 25.1 per cent rise in its equity portfolios, against a 22.6 per cent gain in the S&P 500 index.

Morgan Guaranty, whose funds under management have marked time in recent years, has suffered in common with other big institutional investors from the rise of the small investment "boutiques" which have attracted sizeable sums of pension fund money.

To counter the competition from the new "boutiques" Morgan is spinning off its institutional investment management operations, controlling assets of around $30bn, into a new unit, which will be called J. P. Morgan Investment Management.

Brascan income up sharply

BY ROBERT GIBBENS IN MONTREAL

BRASCAN, the Canadian financial services, resources and consumer goods group, reports fourth-quarter net profits of C$29.2m (U.S. $23.3m), or 84 cents a share, against C$24m, or 62 cents, a year earlier. Revenues fell from C$76.7m to C$61.7m.

For the whole year of 1983, net profits were C$96.6m, or C$2.60 a share, against C$60.1m, or C$1.04, on revenues of C$268m, up from C$258m. The results were in line with market estimates.

All subsidiaries improved their results, but Noranda Mines showed only a modest recovery because of low copper prices.

Brascan is a holding company controlled by the interests of Mr Peter and Mr Edward Bronfman.

Ahold lifts sales and earnings

By Walter Ellis in Amsterdam

AHOLD, the leading Dutch stores group, has recorded another big earnings rise, helped by the increased strength of the dollar in 1983. Net profit rose last year by 28 per cent to Fl 86m ($29.86m) on sales up 12.4 per cent at Fl 9.8bn.

Consolidated sales of the domestic division, Ahold NV, rose by 7.5 per cent, to Fl 6.18bn, while the improvement at Ahold International was 12 per cent, to $1.37bn.

Ahold has proposed a dividend for Ahold International of 10 U.S. cents per share, plus Fl 5 per share for each holding in Ahold NV. The number of Ahold shares was increased last year by a rights issue.

Ahold owns two successful chains of supermarkets in the U.S. Giant Food Stores and Bi-Lo, as well as Ahold Espana, which includes the Luis Baez Sherry Bodegas network. In Holland, it controls the Albert Heijn chain and several hypermarkets, liquor stores and beauty salons

The U.S. outlets in particular have been doing well in the past 12 months, benefiting from an expansion programme and from the pick-up in the American economy. More than a quarter of the increase in earnings for the year was accounted for by the translation of profits from the U.S. into guilders.

Partial recovery for German Mobil unit

BY OUR FRANKFURT CORRESPONDENT

MOBIL OIL, the West German subsidiary of Mobil of the U.S., made a turnaround to a net profit of about DM 85m ($33m) last year, but still expressed itself unhappy with the result.

Its sales revenue declined by 10 per cent to DM 10.6bn, largely because of lower prices for oil products and natural gas.

The company said its profit still fell a long way short of offsetting the 1982 loss of DM 171m, which was its worst result since the Second World War.

Moreover, Mobil Oil – like other oil concerns in West Germany – is still losing money in its refining and distribution network.

The company had managed to scale down its losses since last March, but even so, its shortfall on refining and distribution averaged 3 pfg for every litre sold, compared with 5 pfg in 1982.

Its refining capacity at Wilhelmshaven, Wörth and Neustadt was only 96 per cent utilised.

Mobil Oil said that exploration and production within West Germany were feeling the impact of rising costs and declining earnings.

Its West German natural gas production, at 3.4bn cubic metres, was 6.2 per cent up on 1982, but its crude oil output, with reserves shrinking, continued to decline, down 7.6 per cent to 509,000 tonnes.

Danfoss turnover and profits advance strongly

BY HILARY BARNES IN COPENHAGEN

DANFOSS, the Danish hydraulics, compressors and temperature control equipment manufacturer, increased group sales by 13 per cent to DKr 4.2bn ($448m) in the year to September 30. Net profits increased from DKr 160m to DKr 212m.

Parent company earnings were boosted by an extraordinary dividend from a subsidiary, and increased from DKr 113m to DKr 201m.

An unchanged 8 per cent dividend will be paid.

Last year's sales rise was almost entirely the result of a volume increase

Danfoss expects a further sales increase this year and hopes to be able to increase the labour force, which at the end of 1983 totalled 7,790 in Denmark and 11,485 worldwide.

Investment last year, at DKr 160m, was about 4 per cent of turnover which was unusually low for Danfoss. The company said investments this year will increase to DKr 327m.

Robots get into top gear at VW

BY JOHN DAVIES IN WOLFSBURG

A SLEEK open-topped "train on wheels," like a carriage from a funfair, whisks visitors around Volkswagen's pride and joy – the highly automated factory producing VW's new Golf model at Wolfsburg in West Germany.

The gleaming, so-called "Golfbahn" winds its way through a maze of steadily-advancing production lines, electronic signals and jerky orange-coloured robots.

VW is turning out 2,300 Golfs a day from its vast plant, built and equipped at a cost of DM 550m ($215.3m). It has produced more than 170,000 of the new models since late last year, when they replaced the first-generation Golf, sold in the U.S. as the Rabbit.

The new Golf, for which VW claims substantial market success in Europe, plays a key role – along with the revamping of overseas operations – in its strategy to restore profitability. In the past two years, VW has made worldwide losses of about DM 600m.

Although VW has reached a high degree of automation in its new Golf factory, known as Hall 54, it is determined to press ahead with further automation and rationalisation to improve its international competitiveness.

VW has increased automation of some production processes for the new Golf to as much as 90 per cent. The biggest advance has been to lift automation in assembly operations from a mere 5 per cent with the old model to 25 per cent with the new one.

Now VW is thinking of increasing assembly automation to perhaps 30 or 35 per cent by 1990. It hopes to boost its use of robots from 1,200 to 2,000 by 1990. VW has been in the forefront of robot development, and is hoping for partnership arrangements with specialist concerns to build more sophisticated robots.

Herr Gerd Ganninger, a senior VW executive says that employees initially showed great scepticism towards VW's plans for its futuristic Hall 54.

"There was a lot of talk about a Japan Hall and a factory without people," he says. Although increased automation theoretically was the equivalent of 1,000 jobs, employees' doubts were removed through intensive discussions and involvement in all stages of setting up the factory.

Despite intense automation, Hall 54 is a hive of human activity, employing about 2,000 men and women, many performing more highly-skilled jobs than before.

Herr Günter Hartwich, a member of VW's management board, is convinced that automation will be increased. Although fewer workers will be involved in direct production, he foresees no factories without people. Work will become more decentralised, more flexible and more involved with planning, controlling and innovation.

Striking a chord that is often heard in big West German factories, Herr Hartwich says that fewer employees will be bound to rigid working hours. More will be freed from their ties to the operating hours of machines.

Many big manufacturers wish to run their highly automated production lines for longer hours and for six days a week instead of the present five. Executives sees this as a way of obtaining optimum return from heavy investment.

Such ideas, however, mean convincing trade unions and workers to adopt more flexible working hours and work practices. This in turn is bound up with the campaign by some unions, notably I.G. Metall, the metalworkers' union, for a cut in the working week from 40 to 35 hours, partly to reduce unemployment.

IG Metall is particularly strong in the motor vehicle industry. Dotted around Hall 54, amid the robots, are the brightly-coloured placards of I.G. Metall declaring: "Shorter working hours mean more jobs."

VW executives point out that a shorter working week is only part of a complex range of issues affecting optimum use of factories.

Dr Carl Hahn, VW's chief executive, declined to discuss the likely outcome of talks with IG Metall. He points out that employees already work fewer than 40 hours, because they have paid breaks during work time.

He also notes that VW, which employs about 230,000 workers worldwide, has more employees today than in 1978. New technology is leading to new jobs, he says.

VW's determination to press ahead with further automation, even in times of local unemployment, is strongly defended by Dr Hans-Jürgen Ehmer, a VW planning executive.

Each car needs between 40 and 60 hours of labour at a manufacturing plant and about the same number of hours at the factories of component suppliers, he says. Wage costs are higher in West Germany than in most countries, apart from the U.S., and the number of hours worked per year is less.

West German carmakers thus start with a disadvantage in relation to other European and overseas competitors, he says.

The West German motor vehicle industry's share of the U.S. market has fallen from 7 per cent 10 years ago to 3 per cent today while Japan's share has risen from 6 per cent to 26 per cent.

If the West Germans had been able to achieve even a 10 per cent share of the U.S. market, this would have meant production of an extra 500,000 cars a year and many new jobs.

The U.S., where VW's experience has been less than happy, also figures in the company's plans for further automation. VW has been gearing up to produce the new Golf at its Westmoreland plant and has been shipping robots from West Germany to install modern assembly techniques.

With the new Golf and its automated production, Dr Hahn asserts: "We're on the right path." He believes VW can gain a strong position worldwide with the new Golf.

Opel role in Korean car plant

By John Griffiths in London

OPEL, the West German cars subsidiary of General Motors of the U.S., expects to provide the manufacturing technology and design of a new car GM and Daewoo Corporation plan to build in South Korea.

Production of 167,000 units a year is envisaged, starting in 1986, by Daewoo Motor Company – a 50-50 joint venture set up several years ago.

Opel technology would be used to build new manufacturing facilities for the car which would include a new engine plant.

While neither GM nor Daewoo has put an official figure on the investment, it is understood to be about $500m.

Only an outline agreement has been signed, and a final deal would need the South Korean Government's approval.

If the plans is approved, it is envisaged that at least 50 per cent of sales would be in South Korea, with the bulk of exports going to other Far East countries.

GM indicated yesterday, however, that part of Daewoo's output, from a plant to be based near Seoul, could go to the U.S., for sale through GM's own network and using a GM badge. Cars would not be exported to Europe.

The car itself is described as "small to medium" in size, based on an Opel design under development.

The project is expected to create about 200 jobs at Opel's Russelsheim plant, and would provide Opel with licence revenue from each unit sold.

Downturn at Foxboro

By Our Financial Staff

FOXBORO, a leading U.S. instruments and control systems maker, finished 1983 with net earnings sharply down from $34.85m to $7.98m, or from $2.81 to 65 cents a share.

Sales for the year were $533m, down from $603.4m, although they rose in the last quarter to $157.9m from $144.4m.

Posner bids for Axia

BY OUR FINANCIAL STAFF

DWG, a company headed by Mr Victor Posner, the U.S. financier, has offered to buy Axia, a U.S. metal products manufacturer formerly known as Bliss and Leughlin Industries, in a $172m leveraged buyout.

The offer of $27 a share would be reduced to $26.50 a share if an option granted earlier to an investment group, including Axia executives, is not terminated. The group had proposed a $26-a-share buyout.

Mr Posner, who owns 28.3 per cent of Axia, said he had filed a lawsuit seeking to cancel Axia's stock option and merger agreements with the investor group, and its agreement to pay all the investment group's expenses.

INTL. COMPANIES & FINANCE

Soaring cost of foreign debt takes its toll of a Mexican brewer

BY DAVID GARDNER IN MEXICO CITY

MEXICO'S battle-seasoned foreign creditors received a new shock in late January. Bankruptcy proceedings instituted by Northwestern National Bank of Minneapolis, a subsidiary of Norwest Corporation of the U.S., threatened to bring the house down on Cerveceria Moctezuma (Cermoc), one of Mexico's leading breweries, which owes $346m abroad. Cermoc countered on January 23 by threatening to suspend all payments—a move which amounts to applying to the courts for temporary receivership—in order to forestall what looked set to be the final bankruptcy hearing on January 31.

A two-week postponement of the hearing, to February 14, was agreed, but when this date passed without the hearing being held, and without explanation from either side, the conflict moved to the Finance Ministry, where Sr Carlos Martinez Ulloa, a senior Finance Ministry official and former Director General of Public Credit, was appointed as arbiter.

Northwestern's representative in Mexico City and senior officials in Minneapolis have declined to comment on the affair. The bank is owed $6m by Distribuidora Moctezuma, Cermoc's distribution subsidiary.

The interest excited by the case is only partially concerned with the ultimate fate of Cermoc, which is in no better or worse shape than many other big Mexican companies with heavy dollar debt—much costing between five and six times as many pesos to service as when it was contracted—and facing the country's severest recession since the 1930s.

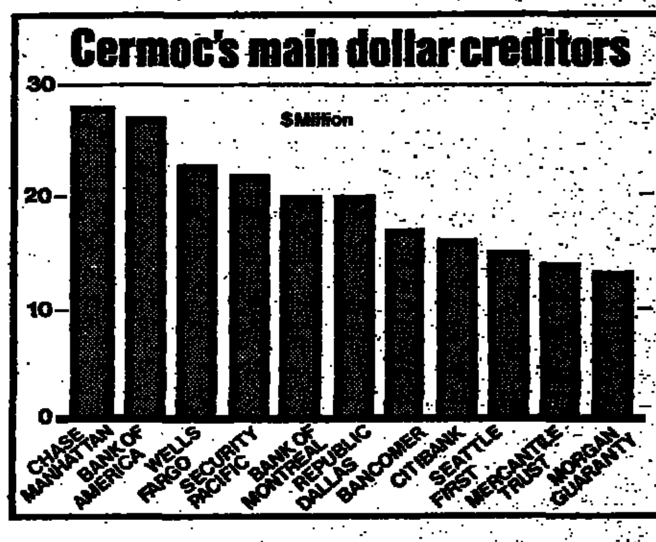
The affair throws into stark relief how easily the foreign debt arrangements of these companies can unravel, and attention now centres on how the banks, the Mexican authorities and Cermoc will respond to this threat.

The first move after the appointment of the arbiter has been for the Government to grant Cermoc a 90-day deferral of tax payments to keep the brewery afloat while talks on the restructuring of its debt get underway.

Northwestern's role in this stage of the proceedings is likely to be secondary. Northwestern appears to have decided to pull out as best it can — probably, bankers here believe by getting Cermoc's 33 other foreign creditors to take over its portion of the overall debt.

Northwestern is believed to have been spurred into action upon realising that Cermoc was using its highly liquid distribution subsidiary as a cash-cow, and to have taken the view that the revenue should have remained in the subsidiary for repayment of its obligations.

Cermoc, with about a quarter of the local beer market, ranks third among Mexican brewers in overall sales, after Modelo and Cuauhtemoc, but has traditionally led its two rivals in top-selling brand terms, with "Superior" locally and "Dos Equis," among Mexican beers in the U.S.



At the root of its difficulties is the huge increase in the cost of its dollar debt, and the near collapse of the local beer market, which saw sales drop 16 per cent and output nearly 30 per cent last year as costs (particularly of transport) and prices soared. The breweries have just announced a further 26 per cent price increase, raising the average cost of a half-pint to nearly a quarter of the minimum daily wage in Mexico City of pesos 680 ($4).

After profits in 1981 of 724m pesos (about $18m at that year's exchange rate and $4.3m at the current rate), on sales of pesos 13.5bn, Cermoc moved into the red in the last quarter of 1982—after the devaluations of August and September—ending the year with losses of pesos 775m on turnover of pesos 21.3bn. It has yet to announce results for 1983, but losses are expected to be between pesos 4bn and 5bn. In the first nine months, it made an operating profit of pesos 1.7bn, but financial charges were pesos 5.4bn.

One solution canvassed early on was a major capital injection, with a joint venture with Anheuser-Busch of the U.S., which brews the Budweiser brand, being suggested. Cermoc, in its only public declaration on the affair so far, categorically denies any approach from a foreign company. However, according to a U.S. banker here, the deal was close to consummation before being vetoed by the Government.

The reasons for a veto would be clear enough. Though Mexico last month moved to liberalise its restrictive foreign investment legislation, the brewing industry is in too prostrate a state to withstand the entry of a high-budget foreign competitior.

As things stand, the family-owned Modelo brewery, traditionally holding first place in market share, but with no foreign obligations, has shown what is possible by establishing a dominant position over the past 18 months. Cuauhtemoc, the second-ranked brewer and part of the Visa group, Mexico's second largest private holding company, is also heavily burdened with dollar debt. Visa last month rescheduled $1.05bn on a floating rate note basis, thereby exempting itself from the 15 per cent withholding tax on dollar debt.

Industry analysts now believe the prospect is for the negotiated restructuring of Cermoc, with its owners, the foreign banks and the Government all contributing.

Though nobody discounts the possibility of Cermoc collapsing — it would be the first significant company failure under the 15-month-old Government of President Miguel de la Madrid — one example of shining optimism has been provided over the last month by the stock market, where Cermoc shares have risen from 8 pesos to 28 pesos. At the time of rumours of foreign involvement in Cermoc in the autumn, the brewery's shares rose to 23 pesos.

Within the optimistic scenario, the Government is believed to be putting pressure on Sr Alberto Bailleres, Cermoc's chairman, and head of what is now almost certainly the most powerful private business empire in Mexico, to inject new funds. Sr Bailleres is the majority shareholder in Industrias Penoles, the world's largest silver mine and other interests which include the Palacio de Hierro department stores and Group Nacional Provincial de Seguros, Latin America's largest insurance company.

These interests, however, are held separately and not as part of a holding company, the more traditional model in Mexico.

The Government may nevertheless have some leverage through Banca Cremi, the Bailleres empire's bank before nationalisation in 1982. Cremi is one of the few remaining banks where a compensation price has yet to be agreed. However, on the evidence of compensation already paid out to much larger banks, the Cremi indemnity is unlikely to amount to more than 3bn to 5bn pesos —an almost insignificant sum in terms of what is at stake in Cermoc.

The parties in the current negotiations are likely to be galvanised by the loans at risk in the case of the banks; the possible damage to Mexico's much-enhanced image in the money markets, from the authorities' point of view; and a potentially damaging loss of prestige, from Sr Bailleres' point of view.

INTL. COMPANIES & FINANCE

Vamgas boosts earnings at Woodside Petroleum

BY MICHAEL THOMPSON-NOEL IN SYDNEY

WOODSIDE PETROLEUM, the key partner and operator in Australia's A$11bn North West Shelf natural gas project, reports a net profit of A$3.3m (US$3.1m) for the year to December, against A$1.2m a year earlier.

The increase was due largely Vamgas, the 50.8 per cent-owned subsidiary, which is a junior partner in the onshore Cooper Basin oil and gas project. On Tuesday, Vamgas reported a 78 per cent boost in net profit for the year to December 31 to A$7.8m.

The North West Shelf project is Australia's most ambitious resources venture. Woodside's partners are BP Australia, California Asiatic Oil, Shell Australia, and Broken Hill Proprietary (BHP).

Fifteen months ago, Woodside announced that it was negotiating for Shell and BHP each to acquire from Woodside an additional 1/12th interest in the project's second phase, which envisages the export to Japan of 6m tonnes a year of liquefied natural gas. It also hoped that Mitsubishi and Mitsui would acquire a joint 1/6th interest, so that the six partners would each hold a 1/6th share. Discussions are continuing.

The project's first phase involves the production of natural gas for consumption within Western Australia and its transportation to markets in the Pilbara iron ore mining region, Perth, and the south west of the state, via a A$930m, 1,500 kilometre pipeline. This phase is now more than three-quarters complete, and the first gas is due to flow later this year, when Woodside's revenues will jump dramatically. The company retains a 50 per cent share in phase one.

The Western Australian State Energy Commission has signed contracts to purchase 10.9m cu metres of gas per day on a take or pay basis over 20 years.

Downturn at EAC Malaysia

By Wong Sulong in Kuala Lumpur

A SHARP drop in earnings has been reported by The East Asiatic Company of Malaysia, the associate of East Asiatic Company of Denmark, because of heavy losses incurred in its heavy equipment business.

Pre-tax profits for 1983 were only 420,000 ringgit (U.S.$180,000) compared with profit of 8.5m ringgit in 1982. Sales 243m ringgit, down 11.2 per cent.

EAC Malaysia said its plantations, trading, and brewery business performed satisfactorily, but it sustained heavy losses in the heavy equipment sector, which was hit by a fierce price war and heavy stocks during 1982 and early 1983.

The company has therefore made provisions of 15m ringgit "against stock depreciation and doubtful debtors in the heavy equipment department."

There was an extraordinary gain of 14.6m ringgit in the year from the sale of properties including the company's headquarters, Denmark House.

The final dividend is 12.5 cents, making an unchanged total of 20 cents for the year.

EAC Malaysia's publicly listed associate, Carlsberg, made pre-tax profits of 16.6m ringgit, down 8 per cent, but, because of a lower tax charge, net profit was 7 per cent higher at 13m ringgit.

Advance at Castlemaine Tooheys

BY OUR SYDNEY CORRESPONDENT

CASTLEMAINE TOOHEYS, the Australian brewer, recorded a 13.1 per cent increase in interim net profit for the six months to January 31, to A$34.4m (US$32.3m) on turnover 13.8 per cent higher at A$523m.

The interim dividend is maintained at 13 cents a share on capital increased by a one-for-six scrip issue last month. Earnings per share for the six months weer 33.4 cents, against 29.5 cents

Tooheys sells mainly in Queensland and New South Wales, but extended its range to Victoria last November. It also bought the Sydney-based Coca-Cola distributor, Southern Cross Beverages, for A$47m.

● Humes, the Australian engineering group, saw a 36.8 per cent rise in net profits for the six months to December 31, to A$15.1m, and has announced a one-for-eight share issue. The interim dividend is unchanged at four cents per share.

● Tooth and Company, now mostly an investment vehicle following the sale of its brewing interests, scored a 1.5 per cent improvement in net profits for the six months to December 31, to A$17.5m. The interim dividend is 17.5 cents a share, against 15 cents previously.

Degussa to invest in Taiwan shoe boom

BY ROBERT KING IN TAIPEI

DEGUSSA, the West German precious metals and chemicals group which is the world's largest producer of precipitated silicates, plans to expand its already considerable investment in manufacturing in Taiwan.

The expansion forms part of a worldwide diversification of manufacturing bases by the company, the sales of which reached DM 11.1 bn ($4.35bn) in 1983.

Late last year Degussa bought a majority share worth $3.75m in United Silica Industrial (USIL), a major Taiwanese manufacturer of precipitated silica which had been operating under licence from Degussa for about a year. Degussa is now proposing to expand its production of so-called "white carbon" at the plant by one-third to 16,000 metric tonnes this year, and may eventually increase it to 24,000 metric tonnes.

Degussa is currently considering an additional investment of $3m to $4m in a plant to produce zeolite, a substance which can substitute for phosphates in detergents and thus reduce pollution. The company says it is in the final stages of contract negotiations with various detergent producers here.

The investments put Degussa among the top West German companies in Taiwan. They also place the company in nose-to-nose competition with Pittsburgh Plate Glass of the U.S., which also began manufacturing white carbon here recently.

Degussa's worldwide sales of white carbon, a silica-derivative which hardens rubber compounds and gives them strength and resistance to abrasion, totalled about $100m last year. The company sees strongly increasing sales opportunities for the substance in the Far East, and especially in Taiwan, where demand is running at 50 per cent more than last year's 12,000 metric tonnes thanks to sharply higher footwear exports.

The company estimates that total annual demand for white carbon in the Far East is now 100,000 metric tonnes. Manufacturing capacity in the region is about 110,000 tonnes while worldwide sales were 470,000 tonnes last year.

Degussa shares the local market about evenly with PPG, whose current local capacity is also about 12,000 metric tonnes. The footwear and tyre industries together consume about 95 per cent of the local output. Last year Taiwan was the world's largest exporter of footwear, selling almost $2bn worth to major world markets. Thus, Degussa's—and PPG's—strategy in setting up here both support and profit from the footwear boom. The two companies are able to offer white carbon t makers of shoe soles for about 25 per cent less than the price of imports.

Degussa has recognised that the shoe industry is shifting to the Far East and South America and it has chosen Taiwan to expand in because of its favourable business climate and government encouragement of foreign investment.

Thomas Jourdan ahead to £672,000

PRE-TAX profits of Thomas Jourdan, investment holding company, increased from £470,000 to £672,000 in 1983, on turnover £1.16m higher at £7.31m. The directors say sales so far this year are well ahead of those 12 months ago and prospects for 1984 are encouraging.

The group has performed well in 1983, the directors state. The higher result demonstrates the gathering momentum derived from concentration upon consumer products, from which profits have increased in each of the last 10 years.

At the interim stage, taxable profits were ahead from £197,000 to £236,000, from turnover of £2.96m (£2.4m).

Following the unchanged interim dividend of 1.75p, the final is up to 4.025p net making a total payment of 5.775p, against 5.6p. Yearly earnings per 10p share improved from 7.19p to 7.39p.

Gross profits advanced from £2.02m to £2.53m. After charging distribution costs of £895,000 (£594,000) and administration expenses of £909,000 (£878,000), but including other operating income of £42,000 (£20,000), operating surplus came out ahead at £764,000, against £563,000.

Interest payments rose from £94,000 to £106,000, while income from shares in related companies added £15,000 (nil).

Mr Archie McNair, the chairman, said later that the group was looking for acquisitions, particularly among companies at present supplying the same retail outlets as Jourdan.

He expressed satisfaction with prospects for the Mary Quant business, in which the group now has a 44.5 per cent stake, with licensing possibilities now opening up in Japan.

● comment

Thomas Jourdan's decision to pull out of engineering has served it well and left the group looking slightly less like an eccentric hotch-potch of unrelated interests. Its range of activities may still look a little motley, but baby equipment, trouser presses, fireplace surrounds and cosmetics are at least all firmly placed in the consumer products field. A marketing drive has begun at Mary Quant, in which Jourdan has a 44.5 per cent stake, and Quant cosmetics have performed encouragingly in Japan. Future expansion will be in consumer products, and the group may well acquire a supplier, for which it could afford around £1m. The shares, meanwhile, rose 2p to 102p, where the historic yield is 8.4 per cent.

CSC Trust

Pre-tax revenue of CSC Investment Trust increased from £167,704 to £194,139 in 1983. Tax took £62,180, against £53,039.

The final dividend is stepped up from 4.5p to 4.75p net for a total payment of 8.25p (7.75p) per 25p share. Break-up value per ordinary share rose from 108.13p to 142.54p.

Strong & Fisher maintains recovery

SHARPLY IMPROVED results were returned by Strong & Fisher (Holdings) for the six months ended December 30 1983, but the company has deferred consideration of a dividend until the full year figures are available.

The Northamptonshire-based company, which manufactures clothing and fashion leather, last paid a dividend for the half year ended December 1981.

For the opening six months of the current year profits at the pre-tax level totalled £1.21m and were achieved on a turnover of £18.79m. The figures compare with a deficit of £826,000 for the same period of the previous year (turnover then amounted to £17.64m) and profits of £1.24m in the second half.

This means that for the calendar year 1983 the group achieved profits before tax of £2.45m, which was a swing of £4.21m over the deficit returned for calendar year 1982.

In their interim report the directors, headed by Sir Ian Morrow, the chairman, point out that the first half results cover a period during which there are only five months of production due to annual holidays.

For the second half they say initial orders from export markets for autumn/winter 1984 are "encouraging" with the current good bargains being maintained.

Gross profits for the first six months advanced from £1.78m to £3.55m before deducting distribution costs of £469,000, against £474,000, administration expenses of £1.25m (£1.34m) and lower interest charges of £711,000, compared with £946,000. Associate companies added £96,000 (£151,000).

Earnings emerged at 10.9p (losses 7.5p) per 25p share after tax of £12,000 (£600).

Yesterday Strong & Fisher circulated its shareholders with details of the proposed issue to Restro Investments of 3,637,350 ordinary shares at 70p each.

Through the proposed association with Restro, a private investment company indirectly wholly-owned by Mr Asil Nadir, Strong & Fisher, expects to gain access to projects in the Middle East in due course which will enable it significantly to expand its overseas operations.

The company is already investigating an investment in a new lambskin fellmongery factory and abattoir in Turkey and a detailed feasibility study has been commenced.

First news of the issue of shares to Restro, which will represent 24.9 per cent of Strong & Fisher's enlarged capital, was given in January this year.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Antofagasta Hldgs	10	April 3	3	13	10
Barlow Holdings	3.4	July 3	3.00	4.4	4.00
CSC Investment	4.75	April 19	4.5	8.25	7.75
Thomas Jourdan	4.03	—	3.85	5.78	5.6
Medminster .....int	1.75	April 9	1.6	—	4.4
Phicom	0.45†	—	0.25	0.75	0.5
Scottish Mercantile int	2	Mar 30	2	—	7.7
Waterford Glass	0.53	—	0.91	1.66¶	1.51

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Includes a second interim dividend of 0.531p—Irish currency throughout.

Arthur Bartfield Group has sold 75,000 Strong & Fisher shares, which reduces its holding to 925,000 shares (8.43 per cent).

● comment

Regardless of what Mr Nadir's help may do for Strong and Fisher in the future, he is striking an excellent deal on the company as it stands. At the 70p price pitched with reference to the market value last October, it transpires that he is buying earnings for calendar 1983 at an actual tax multiple of just 3.2. Not that the shareholders can complain; it seems very unlikely that without his involvement the market would put a value of 196p on a share yielding no income. Hereafter, Mr Nadir's practical involvement will surely be important. It will be very useful for Strong and Fisher to have an assured Turkish source of sheepskins for its existing business, but selling mutton in the Middle East is an odd assignment for a Northamptonshire fellmonger without expert assistance. As to the future trend of the share price, that now lies in the hands of the dedicated band of professional Nadir-watchers.

Phicom improves margins and exceeds £2.3m

AS EXPECTED taxable profits at Phicom rose sharply from £914,000 to £2.36m in the 1983 year.

Increased sales volume, coupled with tight control of costs, resulted in better net margins with operating profits £1.12m ahead at £3.38m on turnover of £38.32m, compared with £31.78m.

Interest charges were higher at £937,000, against £664,000, as the result of funding the increased trading volume and maintaining a high level of capital expenditure.

Reorganisation and redundancy costs were slightly lower at £266,000 (£271,000) and there was a profit of £189,000 attributable to associated companies compared with a £203,000 loss previously. Last year, losses of activities sold or discontinued accounted for £210,000.

In line with last November's rights issue forecast, a final dividend of 0.45p net is recommended which lifts the total payout by 50 per cent to 0.75p on the enlarged capital.

The data communications division increased sales on all products, and those of the Puma telex machine exceeded forecasts. The Scandinavian subsidiary expanded its computer system business, substantially improving its profitability and potential.

Overall, profits from data communications increased from £2.57m to £3.16m.

In life sciences, where profits rose from £465,000 to £562,000, a gold market share was secured for recent product introductions and ifficulties with initial production have been overcome; overseas sales of more than 75 per cent continued to provide the major outlet.

Losses from electronic enclosures were reduced to £342,000, against £772,000, with some £100,000 of the deficit attributable to a three week industrial dispute in November. Sales increased by 12 per cent and the improvement is continuing although trading conditions remain difficult.

Rank Phicom Video Group, following two years of reorganisation, achieved a modest profit. Since the year end, contracts have been negotiated with both Satellite TV and United Cable Programmes for transmitting their broadcasts to cable television companies.

The loss making outside broadcasting camera operation has been sold.

The outstanding order book at the beginning of the current year was over 20 per cent higher than a year ago and orders for January and February were in line with forecasts.

Tax for the year took £692,000 (£83,000), leaving a net surplus of £1.67m compared with £0.83m. Earnings per 10p share were 3.4p (1.5p). Extraordinary debits took £224,000 (£1.45m).

● comment

Phicom traditionally makes conservative forecasts, so the £2.3m outcome should not be too surprising. The company has come a long way since the dark days of the recession, when losses of over £1m jarred it into a fundamental reorganisation which incuded the disposal of some loss-makers, redundancies and the subsequent heavy investment programme to automate the electronic enclosures division. This brought on some unsightly write-offs and exceptional charges, all of which are now a matter of record after the £2m rights issue took the pressure off the highly geared balance sheet. Now that the company has got rid of its peripheral activities it seems capable at last of breaking out of its long running earnings plateau. There is still some loss elimination to come in one or two areas (notably electronic enclosures) and the lower financing charges will obviously help. This, coupled with organic growth in the data communications activities and the video associate, makes the medium-term outlook especially attractive. This year alone Phicom could make upwards of £3.5m. The shares, at 38p, are selling on a prospective multiple of 4.3 which suggests that there could be some scope for uplift given the buoyancy of the communications sector.

Railways help give 'Fags' 109% boost to £4.5m

AN INCREASE of 109 per cent from £2.15m to £4.5m in pre-tax profits has been shown by Antofagasta Holdings for 1983. The directors say the increase in profit reflects the satisfactory results achieved in the railway operation in Chile.

The net final dividend has been recommended at 10p (3p) which raises the total from 10p to 13p. Earnings per £1 share rose from 27.9p to 44.1p.

Turnover expanded from £10.93m to £14.86m—the company is a subsidiary of Compania de Inversiones Adriatico SA of Chile and was formed under a Scheme of Arrangement in May 1982 to acquire the share capital of Antofagasta (Chili) and Bolivia Railway Co. Principal activities include transport of freight over its railway lines and operation of its water distribution service. Both activities are based in Chile.

The group also holds a number of investments in banking property and in copper mining and exploration.

Investment income and interest received for the year amounted to £542,000 (£531,000). Other income came to £196,000 (£354,000) and interest payable amounted to £882,000 (£1.01m). Exceptional items last time took £214,000.

Tax took £1.57m (£259,000), but there were extraordinary credits of £333,000 compared with previous debits of £119,000. Exchange and inflation gains came to £92,000 against losses last time of £992,000.

At the attributable level the surplus was sharply up from £695,000 to £3.25m.

Public Works Loan Board rates

Effective March 7

Years	Quota loans repaid by EIP†	A‡	at maturity§	Non-quota loans A* repaid by EIP†	A‡	at maturity§
Up to 3	9¾	9¾	10¼	11¼	11¼	11¼
Over 3, up to 4	10	10	10⅜	11⅛	11¼	11¼
Over 4, up to 5	10⅛	10⅛	10½	11⅛	11⅛	11⅛
Over 5, up to 6	10½	10½	10⅝	11⅛	11⅛	11⅛
Over 6, up to 7	10⅝	10½	10⅞	11⅛	11⅛	11⅛
Over 7, up to 8	10⅝	10½	10⅞	11⅛	11⅛	11⅜
Over 8, up to 9	10⅝	10⅝	10⅞	11⅛	11⅛	11⅛
Over 9, up to 10	10⅝	10⅝	10⅞	11⅛	11⅛	11⅛
Over 10, up to 15	10⅞	10⅞	10⅞	11⅜	11⅜	11
Over 15, up to 25	10⅞	10⅞	10⅞	11⅛	11	10⅞
Over 25	10⅞	10¼	10¼	10⅞	10¾	10¾

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Investment sales surplus lifts Barlow Holdings

Barlow Holdings reports pre-tax profits 45 per cent up at £5.91m for 1983 against £4.07m, after a more than threefold rise in the surplus on investment sales.

Income totalled £4.42m (£4.21m), administrative costs fell to £564,000 (£800,000), and the investment sale surplus was £2.03m (£657,000). Associate company profits contributed £20,000 (£4,000).

Tax took £2.11m (£1.48m) and minorities £137,000 (£87,000) but there were extraordinary credits of £7.22m (£12.08m), the profits on the Barlow Plantations sale which includes amounts previously disclosed in the revaluation reserve.

Earnings per share are shown at 7.8p (5.31p) before the extraordinary profits but including 3.19p (1p) regarding the surplus on investment sales. Final dividend will be 3.4p making 4.4p (4p) for the year.

Yearling bonds total £13m

Yearling bonds totalling £13m at 9$\frac{5}{16}$ per cent redeemable on March 13 1985 have been issued this week by the following local authorities.

Blackburn District Council £500,000; Bury (Metropolitan Borough of) £500,000; Cannock Chase DC £500,000; Roxborough Scottish DC £250,000; Merthyr Tydfil Borough Council £500,000; Cleveland County Council £1.5m; Kerrier DC £500,000; Strathkelvin DC £250,000; Metropolitan Police District (The Receiver for The) £500,000; Lambeth London Borough of) £1m; Ealing (London Borough of) £1m; Grampian Regional Council £1m; Kensington and Chelsea (Royal Borough of) £1m; Kingston upon Hull (City of) £1.5m; South Lakeland DC £500,000; Bedfordshire County Council £500,000; Cleveland County Council £1m; Stafford BC £500,000.

Reigate and Banstead (Borough of) has issued £500,000 of 9¼ per cent bonds redeemable on September 4 1985.

Waterford boosted by strength of dollar

Waterford Glass pushed pre-tax profits for 1983 up by 20 per cent from I£8.49m to I£10.17m (£8.23m).

The advance was achieved on the back of the export performance of the crystal and china division, which was particularly helped in containing prices and competitiveness by the continued strengthening of the U.S. dollar.

However, high VAT rates at home coupled with a reduced level of consumer spending stifled sales and this was reflected in the Switzer Group and Smith Group contributions.

Switzer experienced a fall in profits and a trading loss by the Smith Group reflected the "dismal level" of car sales nationally, the directors state.

Overall, group turnover for the 12 months rose by £8.58m to £212.34m.

Profits at the interim stage were £3.81m, against £3.31m, on turnover of £93.07m (£91.45m).

In view of better trading conditions and the static position in dividend payments over the past five years the directors have recommended a 10 per cent increase in total dividend payments.

And, in order that shareholders should avail immediately of this increase and to smooth the group's cash flow requirements a second interim of 0.531p has been proposed. Together with a final dividend of 0.531p (0.911p) the total for the year is lifted from 1.511p to 1.6621p.

The ordinary dividend payments are covered 2.69 (2.49) times on earnings per 5p share of 4.47p (3.76p).

Profits for the year were subject to tax of £333,000 (£116,000), leaving a net balance of £9.83m, compared with £8.38m. Below the line, minorities took £328,000 (£387,000) to give a higher attributable surplus of £9.51m (£8.02m) — last year there was a £25,000 transfer from capital reserves. The dividend payments will account for £3.54m (£3.21m).

The group balance sheet remains strong, the directors say. They point out that while borrowings expressed in Irish Punts have increased by £4m the gearing ratio has been maintained at 60 per cent.

If exchange rates had held at 1982 levels, borrowings at the year end would have shown a "heartening downward trend," they say.

A summary balance sheet shows that as at the year end current assets were £142.15m (£120.93m) and current liabilities were £80.12m (£65.07m). Bank borrowings totalled £54.64m (£50.18m) and loans stood at £35.32m (£32.23m).

● comment

Exports sales have put some of the old sparkle into Waterford Glass. The strong dollar—up 23 per cent last year against the punt — added a considerable shine to profits from the 50 per cent of output sold in the U.S. For the current year, the company has protected itself, as far as possible, against the dollar's decline by forward dealing, and will benefit too from the continued U.S. recovery. But in Ireland Waterford is still struggling against recession. Switzer department store profits, down £0.5m to £1.2m, also suffered from VAT increases. This year, economic prospects are better and these upmarket stores are likely to gain from the influx of American tourists expected to accompany President Reagan's planned visit. The outlook for the Renault distribution business of the Smith Group remains bleak, reflecting a national slump in car demand, though a new model in the summer could improve market share. For the current year, £11.5m looks possible. At 26½p, up 1½p, the shares yield 9.0 per cent.

ICI increases its net liquid resources sevenfold to £445m

NET liquid resources of Imperial Chemical Industries group totalled £445m at the end of 1983, nearly seven times higher than the £64m shown a year earlier.

The directors, headed by Mr John Harvey-Jones, the chairman, point out that funds generated from operations during the 1983 year of £1.16bn, against £852m, were more than sufficient to meet the group's cash requirements.

In addition, cash was raised from a number of divestments.

The amount spent on new tangible fixed assets was increased, they say, for the first time since 1979 and several acquisitions were made in strategic sectors.

They add that the higher level of trading activity required additional working capital although, they add, the increase was minimised by continued vigilance on stock levels and prudent credit control.

Overall, the group, they point out, has been able to build up cash balances and to make loan repayments significantly greater than new borrowings.

The major new borrowings comprised U.S.$100m 9⅞ per cent bonds issued by a finance subsidiary, and C$75m 12¾ per cent debentures issued by C-I-L Inc.

The U.S. bonds, which mature in 1990, give holders an option to convert into sterling bonds, and were issued with warrants attached for the acquisition of ICI ordinary stock.

As at December 31 1983 group investments and short term deposits were £165m higher, at £688m and cash totalled £86m, an increase of £14m. Short term borrowings were down from £531m to £329m. Loans due after more than one year stood at £1.27bn compared with £1.425bn.

As already known, group taxable profits for 1983 expanded from £259m to £619m on turnover of £8.26bn against £7.36bn.

John Harvey-Jones, chairman of ICI

Looking ahead the directors say that the policy of maintaining and increasing the strength of the group's position in its leading businesses throughout the world will be "vigorously pursued," with emphasis on supporting those which have good track records and sound future prospects.

This will mean, they add, continuing investment in businesses which have performed well throughout the recession and taking up profitable opportunities to increase the proportion of the group's business in products of high added value.

They point out that the improvements in productivity and efficiency resulting from cost cutting and rationalisation of recent years have put ICI in a strong position to take advantage of the upturn in world demand which is now occurring.

The annual meeting will be held at the Hilton International Hotel, London W1 at 11.00 am on Wednesday April 18.

See Lex

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel	§ 9 %
Henry Ansbacher	9 %	C. Hoare & Co.	† 9 %
Armco Trust Ltd.	8½%	Hongkong & Shanghai	9 %
Associates Cap. Corp.	9½%	Kingsnorth Trust Ltd.	10 %
Banco de Bilbao	9 %	Knowsley & Co. Ltd.	9½%
Bank Hapoalim BM	9 %	Lloyds Bank	9 %
BCCI	9 %	Mallinhall Limited	9 %
Bank of Ireland	9 %	Edward Manson & Co.	10 %
Bank Leumi (UK) plc	9 %	Meghraj and Sons Ltd.	9 %
Bank of Cyprus	9 %	Midland Bank	9 %
Bank of India	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	8½%	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	8½%	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	■ J. Henry Schroder Wagg	9 %
Canada Perm't Trust	10 %	Standard Chartered	‖ 9 %
Castle Court Trust Ltd.	9½%	Trade Dev. Bank	9 %
Cayzer Ltd.	9 %	TCB	9 %
Cedar Holdings	9 %	Trustee Savings Bank	9 %
■ Charterhouse Japhet	9 %	United Bank of Kuwait	9 %
Choulartons	10½%	United Mizrahi Bank	9 %
Citibank Savings	¶10½%	Volkskas Intnl. Ltd.	9 %
Clydesdale Bank	9 %	Westpac Banking Corp.	9 %
C. E. Coates	9½%	Whiteaway Laidlaw	9½%
Comm. Bk. of N. East	9 %	Williams & Glyn's	9 %
Consolidated Credits	9 %	Wintrust Secs. Ltd.	9 %
Co-operative Bank	* 9 %	Yorkshire Bank	9 %
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	8½%		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank	‡ 9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%. 1-month 6%. Fixed rate 12 months £2,500 8% £25,000, 12 months 8.5%.
† 7-day deposits on sums of: under £10,000 5½%, £10,000 up to £50,000 6½%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
§ 21-day deposits over £1,000 6½%.
‖ Demand deposits 5½%.
¶ Mortgage base rate.

UK COMPANY NEWS MINING NEWS

Medminster rises to £179,000 and lifts interim payout

TAXABLE PROFITS of Medminster, which has interests in furniture hire, shipping and forwarding, advanced by £32,096 to £178,624 over the half year to December 31 1983, and the interim dividend is being stepped up from 1.6p to 1.75p net per 10p share.

Last year the group, whose ultimate holding company is the John Delaney Group, paid a final dividend of 2.8p from pre-tax profits of £397,848.

As previously reported, Medminster is aware of the possible establishment of free ports in various parts of the country.

The directors say it remains to be seen whether these will prove the boon which some port authorities imagine. They add that on the whole, these facilities are already available with HM Customs and are sufficient for the current trade.

It is pointed out that if any of the group's customers or clients desire this additional facility when it is available Medminster will certainly offer its expertise and experience and become involved accordingly.

First half turnover expanded from £4.86m to £6.11m with the shipping and forwarding contribution up by £1.19m to £5.47m and that of furniture hire and sale by £61,000 to £641,000.

At the trading level profits emerged at £271,831, against £241,036, before deducting £77,018 (£73,234) for depreciation and £16,189 (£21,274) interest charges.

Tax accounted for £6,000 more at £55,000 to leave an available surplus of £123,624, compared with £97,528 previously.

In his interim statement, Mr John Delaney, the chairman, tells shareholders that the stability in the group's furniture hire companies which he referred to last year was accentuated over the opening six months.

He says a somewhat lower revenue was returned in theatres but that other activities in furniture hire increased their turnover substantially. It is pointed out that theatres are somewhat more profitable as a result of long-term hire.

The re-establishment of Camden (CFH) in exhibition furniture hire has been firmly entrenched.

The group carries a large stock of modern furniture for exhibitions and studios but the chairman says it has never really been involved in any big way in television and films for this style and class of furnishing.

However, over the last 18 months to two years a constructive pilot scheme has been carried out in this field of activities and following its success the directors are now looking for additional premises in a suitable area to develop and enhance this new venture.

As anticipated, the shipping interests had a buoyant half year and the trend is continuing.

The Medminster's groupage across the Atlantic, started two years ago, is now a very successful part of its operation.

In the last few weeks the group's clearing and forwarding business has increased both in Felixstowe and Liverpool.

Henlys cutting back to profitable core business

THE DEPRESSING trading environment of recent years seems to be over. Mr John Dowling, chairman of Henlys, tells members in his annual report. A substantial programme of management reorganisation and disposal has been instituted to pare the group back to its profitable core businesses, he says.

As reported on January 27 pre-tax losses of this car dealer were cut from £5.91m to £3.9m on turnover of £237.5m against £206.64m, excluding car tax and VAT, during the year to October 1 1983.

Mr Dowling says that the effect of reorganisation has been to remove an entire intermediate level of management and establish direct reporting lines and profit accountability at all levels. This has allowed the strong lower level of management to come through.

The core business of the group remains the motor division. Businesses which are not capable of meeting strict financial criteria are being disposed of while others are being revitalised and closely monitored.

Henlys Lease showed growth and good profits in the last year. However Mr Dowling points out that a substantial proportion of group borrowings is used by the leasing company and it may be that in the longer term some form of co-operation will be needed to relieve the group of some of the financing burden.

Extraordinary items included a charge of £203,117 for severance payments to three former directors.

Shareholders' funds came to £22.61m (£25.51m). Fixed assets were lower at £25.66m (£28.8m). Net current assets amounted to £1.37m (£2.12m). Contingent liabilities—the company has entered sale or return agreements with certain vehicle manufacturers and financial institutions—came to £8.67m.

Net outflow of funds was £1.54m (£7.82m).

Avondene Securities, a subsidiary of the Bank of Scotland holds 29.62 per cent of shares. Coleman Milne holds 19.99 per cent.

Meeting: White House Hotel, NW, on March 30 at noon.

Countryside Properties forecast record year

ADVANCE sales of housing, commercial and industrial property development have reached a record £20m-plus for Countryside Properties, the annual meeting was told yesterday.

Mr Alan Cherry, chairman, said the directors expected a fourth successive year of record profits and forecasts indicated further significant progress this year and next.

In spite of the bright outlook for turnover and profits, he warned shareholders not to expect too much from the first half of the year.

This was because delays following the decision to stop using timber-frame construction had meant fewer house sale completions.

Housebuilding should catch up with the delays in the second half and commercial and industrial developments are expected to achieve their contribution by the end of the year.

All departments were busy and there was considerable optimism about prospects and trading levels.

Interest in developments had been increasing recently and the company was confident it could soon let the remaining available space at the office in Waltham Cross and the business and industrial centre at Hook Rise.

Work on office buildings at Orpington and Royal Tunbridge Wells was expected to end by the summer

Scot. & Mercantile

Higher net assets and earnings are reported by Scottish & Mercantile Investment in the six months to September 30 1983.

Net asset value per 25p share rose from 336.5p at March 31 1983, to 390.7p at the end of September and showed a further increase to 418.8p as at March 5 1984.

First-half earnings per share were up by 0.2p to 2.6p and the net interim dividend is maintained at 2p—last year's total was 7.7p.

Net attributable profits for the period improved from £123,061 to £132,793, after lower tax of £77,338 (£91,642) and minorities of £18,815 (£23,912). But as stated in October, the directors expect a slight downturn in the after-tax figure for the full year.

Investment income in the six months climbed from £186,054 to £272,100, but net interest receivable was well down at £21,944 (£119,274). Other income improved from £2,361 to £13,308, but management expenses took £78,406 (£69,074).

P. D. Hall

Mr Kenneth Jones and Mr Peter Blake of Robson Rhodes have been appointed joint receivers of P. D. Hall (Lindrick Holdings). This company makes environmentally controlled pig breeding units with factories in Yorkshire and Iowa (U.S.).

Poseidon earnings fall in first half

BY KENNETH MARSTON, MINING EDITOR

AFTER HAVING boosted earnings and dividend in the 12 months to last June the Australian gold investment company, Poseidon, has seen its fortunes sink back again in the first half of the current year. Net profits have fallen to A$1.55m (£1m) from A$5.25m in the same period of 1982-83.

The fall in earnings reflects the lower profit made by the 47 per cent-owned Kalgoorlie Lake View which, in turn, has a 52 per cent stake in the gold-producing Kalgoorlie Mining Associates (KMA). In addition, Poseidon has incurred increased exploration spending.

Results of KMA have suffered from a reduction in the amount of ore treated at the Mount Charlotte gold mine in Western Australia and a fall in the average gold ore grade at the Fimiston mine. These properties also had higher depreciation charges of A$9.79m against A$3m following a A$113m revaluation of assets.

In a generally dull Australian market yesterday Poseidon shares fell 7p to 311p.

Inco hopes to return to profits in current year

CANADA'S Inco, the Western world's leading producer of nickel, hopes to return to profitability this year after having suffered losses of U.S.$234.9m (£158m) in 1983, $203.3m in 1982 and $469.5m in 1981.

In the 1983 annual report Mr Charles F. Baird, chairman, and Mr Donald J. Phillips, president, say that a further loss is expected in the first quarter of this year but given a reasonable degree of metal price improvement "the balance of 1984 should be profitable."

They point to the company's advantages of low operating costs and improved productivity and they expect demand for nickel to increase by about a further 10 per cent this year. Last year it rose by 13 per cent from the depressed levels of 1982 and Inco's sales were up by 25 per cent.

Inco's average nickel price received, however, fell to $2.25 per lb last year from $2.71 in 1982. At the moment the price on the free market is about $2.20 while that for copper, another Inco product, is 70 cents compared with Inco's average of 72 cents last year.

Whim Creek: a choice of dividend or shares

THE Australian gold-producing Whim Creek Consolidated, which made a net profit last year of A$4.25m (£2.73m) compared with a loss of A$313,000 in 1982, to enter the dividend list.

The company intends to pay a maiden dividend of 5 cents (3.2p) and says that future policy will be to distribute 50 per cent of net profits in annual dividends.

It is also announced that shareholders will have the option of having the latest dividend debited to the company's share premium account and receive bonus shares in lieu of cash. This would result in the payment being tax exempt. Further details of the proposals will be announced later.

Malartic Hygrade gets well into its stride

ONE of the newer Canadian gold producers which is doing well is Malartic Hygrade Gold Mines which operates an underground mine near Val d'Or in north-west Quebec.

John Soganich reports from Toronto that in 1983, the mine's second year of full operations, net profits rose to C$5.1m (£2.7m), or C$1.46 per share, from C$3.5m. A dividend of 20 cents was paid last month and a further 20 cents is due in May.

Under a profit-sharing agreement the neighbouring Camflo mines and mills Malartic Hygrade's ore. The average grade last year was 0.218 oz (6.78g) gold per ton and production totalled 46,825 oz.

Operating costs were only C$146 per oz and the output was sold at average price of C$517 per oz. Malartic Hygrade received a 60 per cent share of the gross revenue in line with the deal with Camflo.

Hawker pays £16m to take outright control of Carlton

BY RAY MAUGHAN

Hawker Siddeley, the leading electrical and mechanical engineering group, has finally taken outright control of **Carlton Industries.** Hawker is paying £16.1m to **London Merchant Securities** for the remaining 26.8 per cent of the ordinary and 17 per cent of the preference capital.

Hawker first took a majority stake in Carlton, the Invergordon distilling, Haddon Oldham batteries and home improvements group, when it launched a £23m cash bid, at 165p per share, for a 52 per cent holding in 1978. Three years later, Hawker followed up with another offer which, on a profit related formula, lifted its stake to over 72 per cent at a price of 278p xd.

As the last stage of the exercise, Hawker is paying London Merchant Securities, the property and investment group, 220p per share for its outstanding minority interest. The price agreed, again linked to Carlton's trading performance, reflects a consistent drop in profits from almost £17m to £5.13m in the years from 1979 to 1982. Carlton, however, is understood to have recovered some of the lost ground last year. Net worth at December 1982 was £59.7m.

LMS is to receive the second interim dividend of 5p per share shares expected for 1983 which will bring its total income from the investment to £547,000 net last year.

The same terms will be made available to outside holders of 0.8 per cent of the ordinary and 83 per cent of the preference shares.

Mr Robert Spier, the finance director of LMS, explained that the disposal will "simplify our operations since Carlton is peripheral to our activities."

The proceeds will effectively double LMS's net cash balances to some £32m and although there are no immediate plans to commit these funds to any particular project, it is likely that LMS will consider a further investment in the oil and oil related sector.

Goldsmiths in £2m acquisition

BY DAVID DODWELL

Northern Goldsmiths, the retail jeweller and bookmaker, has bought **Associated Jewellers** from **H. Samuel** for £2m in cash.

The deal marks the second substantial purchase of jewellery shops since Northern Goldsmiths was acquired for £3.8m in April last year by Mr Anthony Gover, the motor insurance broker. In September, the group paid £2.2m in shares for William Wright, the privately-owned Brighton jewellers' chain made up of 12 shops.

The latest purchase, of five jewellery shops in Yorkshire and Lancashire, gives Northern Goldsmiths a total of 43 outlets, compared with a total of 23 in April last year. Informal agreement has also been reached for the purchase of another three jewellers from an undisclosed seller.

News of the deal comes just a week after H. Samuel revealed a £29m cash bid for James Walker which is likely to create Britain's largest jewellery chain, with 410 shops and a combined annual turnover of £100m.

Mr Jerzy Piasecki, chief executive of Northern Goldsmiths, said about £1.3m of the £2m to be paid will relate to the purchase of freehold properties, with all but £100 of the rest being repayment of inter-company debts to H. Samuel. Associated Jewellers expects pre-tax profits for the year to January 1, 1984, to amount to £77,355, with net assets at £710,000.

In the 11 months since Southend-based Mr Gover took over Northern Goldsmiths, both jewellery and bookmaking operations have been doubled.

Mr Piasecki said yesterday that the first aims to consolidate the group's core operations and to foster their growth by acquisition had by now almost been achieved.

"We are continuing to look for acquisitions in the leisure and service related industries," he added. Further purchases are likely to be largely for cash, since at present the group has no borrowings. Northern Goldsmith shares improved by 2p to close at 208p on news of the purchase.

Braithwaite forecasts profit dip

BY DAVID DODWELL

Braithwaite & Co Engineers, the engineering and construction group, yesterday revealed a £3.2m cash and shares takeover bid, as part of its strategy to counter "severe trading conditions." These are expected to slash profits from more than £1m last year to a bare £325,000 in the year to March 31 1984.

Braithwaite plans to pay up to £3.2m for **Engineering Appliances (1978) Limited,** a privately-owned Chiswick company which specialises in supplying bellows and expansion joints for pipework and ducting. It was founded in 1951 by Mr Valentine Westerman.

The purchase is part of a bid to reduce reliance on overseas markets, where "severe trading conditions," especially in Nigeria, have decimated profits for the current year. Braithwate's share price slipped by 9p to 163p yesterday on news of the depressed profits forecast.

The company forecast that "in the absence of unforeseen circumstances" pre-tax profits for the year to March 31 1984 will be £325,000. This compares with £1.02m in 1982-83, and £930,000 a year earlier.

"The figures speak for themselves," a spokesman said. "It is always very difficult to forecast how soon the situation will improve."

Overseas sales account for about 70 per cent of Braithwaite's business, and the company insisted that overseas markets would remain important despite current problems.

Braithwaite will pay for Engineering Appliances, by £500,000 in cash, 60,000 Braithwaite shares, and the balance by issuing loan notes. Up to £750,000 of these loan notes will be payable subject to "certain profits targets being met." The deal will be conditional on shareholder approval at an extraordinary meeting on March 28.

In the year that ended on September 30 1983, Engineering Appliances earned profits before tax of £565,439, on a turnover of £2.1m.

BIDS AND DEALS IN BRIEF

The Kuwait Investment Office holds an interest in 6,490,999 **Kenning Motor Group** ordinary shares, which is 15.39p per cent of the company's capital.

* * *

East West Insurance Berhad, Malaysia has acquired with other Asian insurance and banking interests the entire shareholding of **National and General Insurance Co (UK).** Other shareholders include the Asia Insurance of Singapore, and O.T.B. Assurance of Hong Kong. DoT approval has been obtained. Paid up capital will be increased initially to £2m and the name will be changed in due course.

* * *

Mount Charlotte is making proposals for the acquisition of outstanding minority interests in its subsidiary Gale Lister and Co.

Approximately £183,000 nominal of Gale Lister 18 per cent unsecured loan stock 1987-92 is proposed to be exchanged for 9¼ per cent convertible unsecured loan stock 1987-92 of Mount Charlotte on the basis of £100 nominal of G and I stock for £46.50 of MC.

Offer values £100 nominal of Gale Lister stock at £105. Middle market prices on March 6 per £100 nominal of Gale Lister and Mount Charlotte stock were respectively £89 and £227.

* * *

Imperial Metals Corporation has purchased from Sulpetro a 24 per cent interest in Peejay Unit No 3, British Columbia, and a 25 per cent and 35 per cent interest respectively, in two big lake area wells in Alberta for C$4.86m (£2.61m). Imperial's net share of revenue from the acquisition will be approximately C$1m in 1984.

Imperial and its associates, Geomex Partnerships, have also agreed to purchase Sulpetro's interest in the St Albert pooled oil unit in Alberta for C$1.94m.

* * *

Corton Beach (Holdings) has announced that Frank Stansil, liquidator of Mesco Nominees, and chairman of the company on March 2 ,disposed of his entire holding of 1.29m ordinary at 4.1p per share. Of these 847,697 shares (29.99 per cent) have been acquired by Michael Keen and the balance placed by Marsden W. Hargreave, Hale and Co with investment clients.

The bargain has been effected under rule 163 (2) and a general offer to other holders will not be required.

* * *

Marler Estates has received acceptances in respect of 5,604 (70.15 per cent) A ordinary shares in **S. B. Property.** The offers have closed.

SHARE STAKES

Offers on behalf of **Vinten** for the whole of the share capital of **SIG Davall** have been received in respect of 7,434,866 (95.86 per cent) of the ordinary (and deferred ordinary), and 927,802 (89.40 per cent) of the preference (and deferred preference).

Both the ordinary share offer and the preference share offer have been declared unconditional as to acceptances. The offers have been extended until 3.0 pm on Friday, March 9.

Freemans—Prudential Corporation holds 3,613,207 ordinary

London and Lomond Investment Trust—The Prudential Corporation group of companies has purchased 1.185m ordinary stock units, bringing its holding to 6,402,500 (16.94 per cent).

English Association Group—The United Kingdom Temperance and General Provident Institution has increased its holding of ordinary shares from 2.25m to 2.46m (14.23 per cent).

Sumrie Clothes—Themus has purchased a further 25,000 shares, increasing its holding to 151,000 shares (6.04 per cent).

Feedex Agricultural Industries—Osborne and Son (London) has acquired a further 250,000 ordinary bringing its holding to 1.8m (13.4 per cent).

Forshaws stands firm at 250p for Border

By Charles Batchelor

Forshaws Burtonwood Brewery announced last night that it is not prepared to go ahead with an offer worth more than 250p per share for **Border Breweries (Wrexham)** unless it can see Border's management accounts and inspect its brewery.

Border is expected to announce today that it has reached agreement on a shut-out deal with Marston, Thompson & Evershed, a brewery based in Burton-on-Trent.

Mr Graeme Dutton Forshaw, Burtonwood's chairman, said: "We can't go above 250p unless we can get a delay of a couple of days. We need one day to look at the brewery and another to look at the management accounts.

"The board feels it has had a gun held at its head. We have got to stop some time. We are trying to get a stay of execution but Samuel Montagu, our financial advisers, think it is highly unlikely. So it looks as though they will announce a shut-out deal tomorrow morning."

Burtonwood originally launched a 175p bid for Border on February 17 after Border announced it was in bid talks with an unnamed party. Marston subsequently emerged as the mystery suitor and announced it had an 8.19 per cent holding.

Burtonwood raised its indicated bid price to 230p and then 250p — valuing Border at £13.4m — and finally said on March 5 it was contemplating an offer at a price materially higher than 250p.

Border's shares were unchanged at 290p yesterday while Marston shares were also unchanged at 64p. Burtonwood's shares rose 5p to 350p.

Habit talks with Crosby Woodfield

Habit Precision Engineering has won the support of the board and major family shareholdings in Crosby Woodfield to accept a bid worth £3.3m if it is made within 30 days.

Crosby, which makes springs, pressing and precision engineering products, has committed 28.7 per cent of its equity to Habit's offer of 27 of its own shares for every 100 Crosby shares or the alternative of 13.5p in cash per share.

The equity offer is worth 15.4p, taking Habit at 57p, down 2p yesterday, which compares with Crosby's closing price of 15½p, down ½p.

Reed Stenhouse

Reed Stenhouse, the international insurance broker, has announced that, as part of the recent merger with **Stenhouse Holdings,** it has obtained a listing on the London Stock Exchange, for its Class A and Class C ordinary shares. Dealings began yesterday.

Samuel Montagu and Co and Kitcat and Aitken have sponsored Reed Stenhouse in obtaining the London listing.

Suter in talks with Francis to settle price for full bid

BY RAY MAUGHAN

ALMOST SIX months after disclosing a stake in **Francis Industries,** the packaging and gearbox group **Suter Electrical,** the air-conditioning and hairdressing equipment manufacturer headed by Mr David Abell, is negotiating a full bid.

The two sides, represented by Robert Fleming for the bidder and Lazard Brothers for Francis, opened preliminary talks yesterday as Francis' share price climbed 19p to 118p to give the group a market value of £13.2m.

Talks between the two sides have been described as sporadic and desultory since Suter declared a 7 per cent holding in Francis last September.

Suter has recently eliminated borrowings by selling its mainstream Prestcold refrigerator manufacturing operations, and surplus land, and now has estimated cash balances of some £7m. Loan stock conversion later this year is expected to lift net cash to some £9m. Suter holds 26 per cent of Francis' equity and has used that stake to block Francis' recent attempt to cut debt and expand its capital base by buying in its outstanding unsecured loan stock.

Francis' pre-tax profits all but disappeared in 1982, but after reorganisation and closure notably the Lacrinoid plastic packaging subsidiary, interim profits last year climbed from £166,000 to £469,000. It is understood that its negotiating position will be based on the estimate that its remaining businesses are capable of some £1.5m pre-tax annually and that the group carries forward substantial tax losses.

The talks are concerned with price, rather than an inherent resistance to the commercial aspects of a takeover, and it is expected that an agreement can be reached and unveiled to coincide with the announcement of Suter's profits at the end of next week.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: AAH, Framlington, Galliford, Harrisons Malaysian Plantations, William Sinclair.

Finals: Anglo American Gold Investment, Cadbury Schweppes, Cardinal Investment Trust, Coral., Davies and Metcalfe, L. M. Ericsson (Telefonaktiebolaget), Family Investment Trust, Fife Indmar, General Investors and Trustees, Glenfield Lawrence, Hawley, Midland Bank, Nedlers, Philips' Lamp, Systems Designers International.

FUTURE DATES

Interims:	
Bluebird Confectionery	Mar 28
F & C Eurotrust	Mar 13
Jarvis (J.)	Mar 14
Finals:	
Arncliffe	Mar 19
BTR	Mar 14
Carpets International	Mar 27
Copydex	Apr 3
Federated Housing	Mar 14
Hewitt (J.) (Fenton)	Mar 14
London and Manchester	Mar 16
Memec (Memory and Electronic Components)	Mar 20
Reckitt and Colman	Mar 27
Silkolene Lubricants	Mar 30

Dreamland says take offer despite optimistic forecast

BY CHARLES BATCHELOR

DREAMLAND Electrical Appliances, maker of electric blankets, is recommending its shareholders to accept the £6.1m bid from Valor, the gas heater manufacturer, in spite of a forecast that Dreamland's prospects are improving.

Mr Christopher Kraushar, Dreamland's managing director, said: "We explored the possibility of other companies who might have expressed an interest and also the possibility of maintaining our independence as a public company.

"We came to the conclusion that these alternatives were not entirely practicable. There are certain advantages to being a member of a more broadly-based group."

Mr Freddie Williams, Dreamland's chairman, is ill and unable to take part in board discussion of the all-share offer.

Mr Williams has beneficial and non-beneficial holdings of 2.2m shares or 10 per cent of the equity. The other directors recommending the offer hold 115,000 shares, about 0.5 per cent.

Valor, already with 29.9 per cent of Dreamland, is offering five of its own 25p shares for every 21 10p Dreamland shares. Hill Samuel and Co., its adviser, has underwritten a cash alternative worth 25p for each Dreamland share.

Dreamland's shares fell 2p yesterday to 26p while Valor was unchanged at 119p. This values the offer at 28.3p per Dreamland share—2.3p above yesterday's market price.

Dreamland forecast yesterday pre-tax profits of about £150,000 in the 15 months to March 31 1984. Seasonal losses are traditionally incurred in January to March.

Pre-tax profit for the 12 months ending March 31 1984 is estimated at not less than £550,000 against a £201,000

Dreamland said its directors believed the outlook would keep improving. An independent valuation of Dreamland's head office premises at Hythe, Southampton, showed a surplus on book value of about £988,000. Net assets per share on March 31 1984 would be about 23.75p, it said.

Mr Michael Montague, Valor's chairman, said that as a result of acceptances for the offer, Valor was in a comfortable position although its holding had not yet reached 50 per cent. First closing date is March 20.

APPOINTMENTS

Chairman for Cold Drawn Tubes

TI Group and the British Steel Corporation have formed a new company, COLD DRAWN TUBES, in which TI will hold 75 per cent of the shares and BSC the other 25 per cent. The company merges BSC tubes division's cold drawn business at Corby with the TI Tubes Ltd business, which is located both at Rocky Lane, Aston in Birmingham, and at the TI Accles and Pollock Broadwell site in the West Midlands. Employees at the three sites will become employees of the new company. Chairman will be Mr G. R. Mackenzie, currently chairman of TI Tubes Ltd, and the managing director will be Mr F. Laverick, currently managing director of TI Tubes Ltd.

*

Mr Leslie Andrews has been appointed managing director of CROUCH CONSTRUCTION, a principal operating subsidiary of Crouch Group. He was previously commercial director of R. Mansell and had formerly been a director of Rush and Tompkins Group. As a further part of the reorganisation of the Crouch Group, Mr Peter Meyer, chairman, has taken over the chairmanship of Crouch Construction. Mr Meyer became chairman of Crouch Group following his acquisition of a near-44 per cent stake in the group on January 31.

*

Mr David Vevers has been appointed director of communications for CHARTERHOUSE J. ROTHSCHILD.

*

Dr M. C. Faulkes has been appointed joint managing director of SYSTEMS PROGRAMMING HOLDINGS and of SPL International.

*

Mr Alex G. Moon has been appointed to the new post of managing director of DART AND KRAFT FINANCIAL SERVICES. He is managing director of Kraft Foods, and will continue in this position for the time being.

*

Mr G. J. Doe of SIME DARBY COMMODITIES has been appointed director-vegoil.

*

Mr Philip Thwaites has been appointed group marketing director of the A. J. GOODING GROUP. He was previously marketing controller of Casio Electronics Co. The group's main subsidiaries are: Race Electronics, which produces the Acorn computer; Convertec, hi-tech producer of metallized packaging materials; Porth 84, producer of Christmas decorations; and Ace Coin, manufacturer of gaming machines.

*

Mr Alexander (Sandy) Fletcher, until recently a director of County Bank, and Mr Rodney Walker, chairman and chief executive of Myerscough Holdings, have become non-executive directors of the northern region board of the UK division of international insurance brokers BAIN DAWES.

*

Mr Wyndham Thomas has been appointed to the board of GREENWOOD DEVELOPMENT HOLDINGS. He is chairman and chief executive of Inner City Enterprises, a board member of the London Docklands Development Corp and a member of the Department of the Environment's Property Advisory Group.

*

CITY & NORTHERN has appointed Mr John Bell as chairman, Mr Elliott Ward as chief executive and Mr Chris Dixon and Mr Roger Broadhurst as directors.

*

Mr Ernest Bigland has retired as chairman of the trustees of ALLIED - LYONS PENSION FUNDS, and of the asset management companies of the pension funds. Mr Brian McGrath has been appointed to succeed Mr Bigland. Mr McGrath was a member of the Allied-Lyons board from 1970 to 1982 prior to his retirement.

*

Mr Peter Shaw has been appointed to the board of E. T. TRUST. He is also a director of Fine Art Developments.

*

Mr F. M. Brockway, Mr M. G. Long and Mr K. P. Willis have been appointed to the board of REDIFFUSION SIMULATION as engineering, marketing and personnel and production directors respectively. Mr Brockway was chief engineer; Mr Long was general manager, marketing; and Mr Willis was general manager, production and product support. The company is a member of the Rediffusion Group, itself a member of British Electric Traction Co.

*

Mr Nigel Gregory has been appointed finance director, and Mr Peter Lilley design director of THE CROWN SUPPLIERS the government's recently re-launched central purchasing agency.

*

Mr M. J. Beale, managing director of Amalgamated Metal Trading and Mr P. J. Jevons have joined the board of THE METAL MARKET AND EXCHANGE CO. (the London Metal Exchange). Mr P. G. Smith will retire from the chairmanship after the annual meeting on May 22. He will be succeeded by Mr J. K. Lion, senior partner of Philipp and Lion with Mr R. D Gee, a director of BICC Cables as vice-chairman.

*

Bellway's plant and road-making subsidiary BLACKETT UK has appointed Mr Tom Brown as commercial director. He was general manager.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1983							
1st qtr.	99.5	94.4	86	105.5	115.9	3,003	124
2nd qtr.	99.5	94.1	94	107.3	119.7	2,987	135
3rd qtr.	101.0	95.3	90	108.3	124.0	2,950	160
4th qtr.	102.0	96.2		110.3	151.4	2,941	162
July	100.7	95.7	104	107.0	123.8	2,957	153
August	100.7	95.0	81	107.6	123.7	2,941	162
September	101.5	95.3	84	110.0	124.3	2,951	164
October	101.6	95.7	95	109.0	130.4	2,941	167
November	102.0	96.0	95	110.9	141.0	2,937	163
December	102.6	96.9		111.0	176.6	2,946	155
1984							
January				107.7	123.4	2,976	152
February						3,005	149

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
1st qtr.	95.6	91.7	104.9	92.9	100.0	88.6	18.1
2nd qtr.	95.6	90.2	105.7	92.5	103.5	88.6	19.8
3rd qtr.	96.8	90.2	108.1	92.9	101.5	89.6	17.2
4th qtr.	97.0	91.2	109.5	94.3	105.0	90.3	15.9
July	97.0	91.0	107.0	94.0	104.0	91.0	17.2
August	96.0	90.0	108.0	92.0	97.0	87.0	16.5
September	97.0	90.0	109.0	93.0	103.0	91.0	18.0
October	97.0	91.0	109.0	94.0	108.0	89.0	18.6
November	97.0	91.0	110.0	94.0	102.0	89.0	18.2
December	97.0	92.0	110.0	96.0	105.0	93.0	10.9
1984							
January							13.1

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
1st qtr.	102.3	104.5	+203	+1,147	+1,801	97.7	17.34
2nd qtr.	100.3	106.6	−460	+ 38	+1,556	98.2	17.71
3rd qtr.	99.3	106.6	−248	+650	+1,521	99.4	17.90
4th qtr.	107.4	112.7	+ 5	+635	+2,123	98.7	17.82
July	96.9	106.2	−222	+ 77	+464	99.0	17.94
August	98.9	106.5	− 78	+222	+532	99.5	18.01
September	102.0	107.2	+ 52	+351	+525	99.6	17.90
October	103.2	118.0	−423	−213	+561	98.8	18.10
November	104.8	108.2	+ 71	+281	+661	98.7	18.10
December	114.3	112.1	+358	+568	+901	98.7	17.82
1984							
January	108.2	112.6	−339	−129	+719	98.2	17.78
February							17.98

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	Base rate %
1983							
1st qtr.	9.5	8.1	10.6	+4,456	1,174	2,520	10.50
2nd qtr.	15.3	14.6	15.0	+5,087	1,071	2,540	9.50
3rd qtr.	8.5	8.4	24.6	+1,491	2,098	2,646	9.50
4th qtr.	10.4	8.8	18.9		2,745	2,815	9.00
July	14.0	12.5	21.5	+ 776	739	828	9.50
August	11.5	10.8	22.5	+ 644	525	926	9.50
September	0.6	2.1	29.7	+ 71	834	892	9.50
October	8.6	4.8	22.8	+1,779	987	878	9.00
November	7.5	6.8	22.6	+1,413	870	959	9.00
December	15.3	15.2	11.9		888	978	9.00
1984							
January	7.6	11.5	12.3	−	926	965	9.00
February							9.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
1st qtr.	144.7	124.6	121.8	327.0	302.1	277.29	80.5
2nd qtr.	148.0	123.6	124.2	333.7	306.3	272.89	84.3
3rd qtr.	150.9	124.7	125.1	338.0	310.4	286.14	84.9
4th qtr.	153.1	128.4	126.7	341.8	316.4	298.50	83.2
August	151.4	124.8	124.9	338.0	308.4	293.02	85.1
September	150.5	126.5	125.7	339.5	313.0	288.14	84.8
October	151.7	126.2	126.2	340.7	314.5	283.18	82.4
November	152.8	127.4	126.7	341.9	316.1	288.10	83.7
December	154.8	131.7	127.3	342.8	318.5	298.50	82.5
1984							
January		133.2	128.1	342.6	315.8	295.75	81.9
February						291.34	82.2

* Not seasonally adjusted.

Over-the-Counter Market

1983-84 High	Low	Company	Price	Change	Gross div.(p)	Yield %	P/E Actual	Fully taxed
[illegible]	[illegible]	Ass. Brit. Ind. Ord	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Ass. Brit. Ind. CULS	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Airsprung Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Armitage & Rhodes	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Bardon Hill	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Bray Technologies	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	CCL Ordinary	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	CCL 11pc Conv. Pref.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Carborundum Abrasives	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Cindico Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Deborah Services	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Frank Horsell	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Frank Horsell Pr Ord 87	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Frederick Parker	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	George Blair	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Ind. Precision Castings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Isis Conv. Pref.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Jackson Group	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	James Burrough	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Robert Jenkins	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Scruttons "A"	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Torday & Carlisle	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Travian Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Unilock Holdings	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	Walter Alexander	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	W. S. Yeates	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

UK REGIONAL REPORT

Warrington and Runcorn

Close to 500 companies have set up operations in the two Cheshire new towns in the last two decades. Warrington, in particular, has become increasingly synonomous with high technology industry and distribution services, partly as a result of the town's accessability to the motorway network



Hugh Routledge

● Warrington has a diverse industrial base, ranging from traditional industries, such as wire manufacturing (left), to high technology. New industry is being attracted by such facilities as the Birchwood Science Park, says Mr Colin Cawley (centre) of Warrington Development Corporation. Right: check sampling in the computerised brewing sector.

"THE RIGHT move for growth and success" is one of the catch-phrases of the Warrington-Runcorn Development Corporation. The slogan leaps out from television adverts and glossy brochures.

Many of the companies which have come to one of the North West's economic growth points testify to the truth of the line, profiting as they have done from a range of factors with which many of the region's other towns and cities have found difficult to compete.

By NICK GARNETT
Northern Correspondent

Probably the biggest concentration of high technology in the North West has built up around Warrington, as well as one of the largest gatherings of distribution operations.

Such developments, and a welter of figures on industrial and office floorspace take-ups, underline the importance of its aggressive promotional campaigns and its £32m yearly capital budget to the overall economic health of the North West In the last two decades almost 500 companies have set up operations in the two Cheshire new towns.

Those figures, though, mask the great differences between the two new towns, the high levels of jobless, particularly in Runcorn, which is one of the region's unemployment black-spots, and the contraction of some of the area's traditional industries, acutely symbolised in the closure of the huge Thames Board Mill in Warrington.

Some politicians in the nearby cities of Liverpool and Manchester also complain that the biggest impact of new towns like Warrington is to take the lifeblood from older conurbations. While there might be an element of truth in that, many companies have come to the North West because of the development corporation's role and Warrington's location.

It is the peculiar juxtaposition of thriving companies, modern industrial estates with futuristic architecture, and the drawing board layouts of the post war new town, on the one hand, with the fallout from structural industrial change on the other, that gives Warrington-Runcorn its special characteristics.

Business plans submitted by companies which have set up in the two new towns incorporate a total of 24,000 new jobs, though there is no data on how many of these jobs have actually materialised. Some companies have grown to a much greater size than their business projections initially indicated, though others have closed down completely. Some development corporation officers think that job creation is likely to have been much larger.

Yet, Runcorn which is in a special development area has an unemployment rate of 21.5 per cent. That of Warrington, which lost its intermediate area status in 1982, is much lower at 15 per cent, but even that still represents a significant social problem.

The development corporation looks, at the moment, as if it will be wound up shortly before the turn of the decade, yet Mr David Binns, its general manager, says: "We have still a lot to do in both Warrington and Runcorn."

The two new towns which are some nine miles apart, were only brought together under the authority of a single development corporation two years ago.

Runcorn is a second generation new town, set up 20 years ago as a population overspill for north Merseyside, and drawing heavily on new thinking on town planning, based on the separation of pedestrians from traffic.

Its emphasis was overwhelmingly on housing, mainly rented, and the relative early lack of initiatives on employment has been a weakness. A rather restricted industrial base, centred on ICI's massive Mond Chemicals Division, coupled with its origins as an overspill town for what has traditionally been a relatively high unemployment area, accounts now for its severe jobless problem.

Runcorn has, nevertheless, benefitad from an injection of new and very efficient companies over the last two decades, including zip fastener manufacturer YKK and American Can, and the creation of a single development corporation will undoubtedly help.

The development corportion is coupling the town's SDA status, which is attractive to manufacturers, with Warrington's proven track record in attracting high technology, to promote the Manor Park technology estate, which is near completion in Runcorn. This is geared to attracting higher technology manufacturing, plugging a gap in the development corporation's armoury.

Warrington, by contrast, is a third generation new town, learning some lessons from Runcorn, and much more employment-led than its neighbour. It has also laid much greater emphasis on private house-building, and has been largely spared the problems encountered by Runcorn with system building.

Three main reasons behind the concept

Warrington New Town was conceived for three main reasons — as an overspill for the Greater Manchester conurbation, to redevelop three large sites (the Risley Ordnance Factory, RAF Padgate and the U.S. Armed Forces base at Burtonwood) and to assist in the old town's rehabilitation. It never really played an overspill role and the 1,200 acres of Burtonwood are only now being cleared because U.S. military forces vacated most of it only last year.

But Warrington New Town has become synonomous with high technology and with distribution and other services, though it does attract some new manufacturing. British Nuclear Fuels has its headquarters there and the United Kingdom Atomic Energy Authority its northern headquarters at Risley.

The collection of high technology companies include Data General's engineering training centre and Digital Equipment's headquarters for the north and Scotland. Birchwood Science Park is one of the biggest of its type in the UK.

Distribution and services have been built largely around Warrington's remarkably good road communications, situated as it is near the junction of the M6 and M62, and within short driving distance of Manchester Airport. Companies which have benefited and expanded their operations on the back of this range from Safeway, Rowntree Mackintosh, and Marks and Spencer, to Barclays Bank's central collection depot.

In the big conurbations close to Warrington planners frequently complain at what they sometimes see as unfair promotional advantages available to new towns.

They themselves struggle to attract any new form of employment.

"But if we hadn't been here someone would have had to invent us," says Mr Don Forster, chairman of the development corporation and its 13-man board.

The recession has had a clear impact, too, on the development corporation. It has been breaking its own records over the past two years in the total number of new companies which have signed up.

But the trend towards smaller operations is all too clear. For the past two or three years take-up of floorspace has been between 500,000 and 600,000 sq ft which compares with the 1.4m sq ft let in 1978-79. The latter year saw 2,750 jobs in the new companies' business plans as against 1,300 to 1,400 created this year.

Nevertheless, Mr Forster says: "I think the results have been very good considering what the recession has been like."

As with all new towns, including the North-West's other two, Skelmersdale and Central Lancashire, the Government has suspended some of Warrington's debt while it tries to come up with a political solution to rising revenue deficits, partly caused by interest rate changes. Warrington-Runcorn's revenue deficit stood at £43m a year ago.

Runcorn was due to be wound up at the end of 1982 but was instead brought under the new development corporation's umbrella. This was prompted by the unwillingnes of Halton Borough Council to take on Runcorn's rented housing on the terms then offered and was perhaps also influenced by the Government's public commitment to Merseyside.

Relationships now more constructive

There has always been some element of friction between the local authorities and the new towns and this has been most marked in Warrington. A partnership with the old county borough was not concluded and it was only in 1978 that Warrington New Town was invited by the borough to become involved in urban renewal.

Relations are more constructive now, though Warrington Borough Council did not positively support a recent industrial development project south of the town which was later abandoned after a planning inquiry.

The council does some urban renewal work and has been particularly successful with small workshops and conversion of part of the sites vacated through contraction in the wire industry. In the town itself, Legal and General's Golden Square development has introduced a very attractive shopping area.

The development corporation says Liverpool's unemployment rate would have been much worse than it is now without its influence. Apart from job creation, it also stresses its environmental work and the creation of neighbourhoods designed to be respected by the people who live in them.

"We are not involved in a whole lot of local authority functions which take up the time of senior management," says Mr Binns. "New towns are able to set a pace for development because of this single-mindedness."

WARRINGTON AND RUNCORN 2

Development Corporation broadens its overall marketing strategy to attract key sectors

Moves to attract more overseas investment

THE SIZE of the promotional budgets available to some of the new towns is a fact of life which often irritates many traditional local authorities, but few would argue that at Warrington-Runcorn the budget is used with remarkable effect.

The Development Corporation spends nearly £1m a year on promotion. For its size, this probably puts it on a par with Milton Keynes and Peterborough. But it argues that the budget, for which the Department of the Environment advises on an upper limit, is not enough.

Although the budget certainly prevents Warrington from making the kind of television advertising impact in the South-East achieved by the Scottish and Welsh development agencies, it puts it streets ahead of the bigger and older conurbations.

Potential

The figure of almost £1m actual expenditure excludes salaries for the ten people in marketing and seven in sales. The Homefinder service derives from a separate allocation, most of the money coming from private house builders who make a promotional contribution for every house they build.

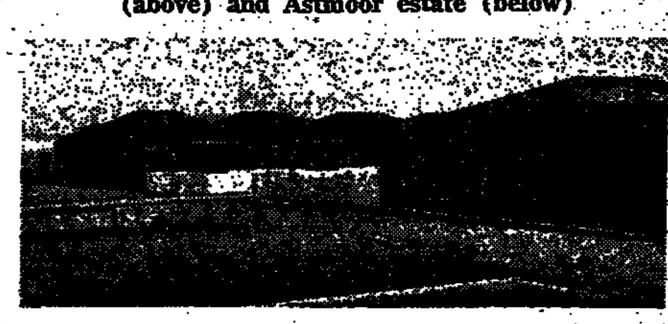
Overall the object is to generate the maximum business potential among businesses looking to relocate, expand, rationalise or start up regional headquarters. "It's our job to put our name before them, to get on to their short lists," says Roy Meredith, the Development Corporation's marketing manager.

The ratio of inquiries to lettings is about eight to one but the conversion ratio of leads (once some vetting has been carried out) to lettings is five to one. The Development Corporation says these ratios are continually improving as Warrington-Runcorn becomes better known and tougher screening is used.

In marketing strategy the aim is to go for several key sectors. Any keen television viewer in the North-West knows that one of those sectors is Granadaland as defined by ITV's Granada region. It does not advertise in Merseyside newspapers, however. It says it does not do so because it recognises the "sensitivity" of that issue, though this follows what some people might say was political pressure from the Government not to do so.

A second broad sector is the rest of the country, excluding Scotland, the South West, South Wales, and East Anglia. The biggest market by far is the South-East, but for the Development Corporation it is a difficult and expensive territory to reach.

The third sector is high technology. The science park at Warrington, which carries no assisted area status, has been attractive for non-manufacturers, but the Development Corporation expects that the new Manor Park development at Runcorn, which has SDA status, will plug a gap and attract high tech manufacturers.



Runcorn: units on the Whitehouse industrial estate (above) and Astmoor estate (below)

Mr Meredith sees one new avenue opening up for Warrington in the M4 corridor for high technology companies which now feel a need to improve their penetration in the North.

Another area for promotional activity is large and small office users, which puts the Development Corporation in head-on competition with the prime South Manchester and Cheshire office locations such as Wilmslow.

Finally, the Development Corporation looks overseas. Warrington has had an agent in the U.S. since 1974. From a base in New Jersey the agent runs a direct mail service within the U.S. and Canada. Every quarter a salesman hits the road for a few weeks making direct contacts. Some of the more than 60 North American companies which have set up in Warrington-Runcorn have been attracted through this route.

Benefits

The Development Corporation has also begun a marketing operation in France and the Benelux countries. This includes the use of an agent in Paris, though on a less firm basis than that in the U.S. The first benefits in the form of signings of this marketing efforts look as if they are about to emerge.

Brian Butters, the newly appointed manager for both sales and marketing, says that at present he foresees no dramatic changes in promotional work, but he is particularly keen to attract overseas investment. This may involve more direct approaches to companies in Scandinavia and Southern Europe.

One change in overall marketing direction is that the Development Corporation no longer aims at distribution as an isolated sector. Instead it has been broadened out to include manufacturing.

The corporation uses a number of media and non-media marketing methods. Total advertising expenditure is a little under £750,000, of which newspapers absorb about 65 per cent, television 25 per cent and billboard posters 10 per cent. A tiny amount is spent on local radio.

Television advertising is mainly on Granada and Channel 4, for Warrington does not have the budget weight to put itself on the map in the Thames, London Weekend and Television South areas.

To get to the South East the Development Corporation mainly uses the serious newspapers, daily and sunday. Mr Meredith says it is an expensive way of generating business but still cheaper than TV. There has also been some experiment with specialist periodicals such as the property magazines.

Non-media methods, which include direct mail, literature packs, public relations and the use of agents abroad, cost about £200,000. The Development Corporation's brochures, of which it has produced at least 50 different types, are particularly glossy. It also issues a promotional paper for every building scheme.

One area where it believes the potential has not been fully tapped is the assistance that estate agents could give in referring potential clients to the Development Corporation.

Nick Garnett

Big change in employment patterns

CHANGES IN technology and markets began affecting the traditional industries of Warrington and Runcorn before the present recession speed-up process of rationalisation and change.

Warrington, with a relatively diverse industrial base and a background of growth in the service sector through the mid-1960s and 1970s, has, in employment terms, been more cushioned against the impact of these changes than Runcorn.

Although the rate at which unemployment has increased has been faster in Warrington, its jobless total stood at 15.2 per cent in January—lower than the North West regional average of 16.2 per cent. But at Widnes in the borough of Halton, which includes Runcorn, the 21.5 per cent unemployment rate was the highest in Cheshire and the second highest in the entire North West.

The diversity of Warrington's traditional industrial base extends to brewing and food manufacture, engineering, wire manufacture, paper and board and soap and detergent production. Although the chemical industry is also represented, it does not occupy anything like the same predominance as in neighbouring Halton.

Changes in Warrington's economy, with a decline in manufacturing employment, are not a new feature. By the mid-1960s a majority of employees were working in the service sector. After 1980 employers in both sectors began shedding labour.

But a report by Warrington Council accepts that it is unlikely that future demand will ever rise sufficiently to allow the re-employment of workers in manufacturing on the previous scale.

"This creates a dual problem of obsolete buildings with obsolete equipment and workers with unwanted skills," says the report.

The council report demonstrates the dramatic effect which the reduction in manufacturing employment has had on the skilled labour needs of the area. Until 1980, demand normally exceeded supply for fitters, machine turners, welders and electricians. Two years later, unemployment among these groups had increased by up to 886 per cent.

Manufacturing

Wire drawing is one of Warrington's oldest industries. The wire industry, in common with other steel-related sectors, has felt the full pain of the recession. Most of the manufacturing jobs lost in Warrington between 1980 and last year were in steel and steel processing, which had been the town's largest single source of manufacturing employment.

But the Warrington wire industry is by no means dead. For example, Rylands-Whitecross, a wire manufacturer, remains one of the town's largest employers in spite of its much-slimmed-down state.

The company had about 1,900 employees before the recession, including workers at a Teesside operation which is now closed. It now has a workforce of 850—but a little cautious recruitment has been possible lately.

"Things are relatively good and quite busy at the moment," says Dr Edward Veys, director and general manager. "If we regard last year's output as an index point of 100, we are now around 120. Admittedly, this is not only because of a straightforward expansion of the market—we went through a survival of the fittest period and some competitors went to the wall."

The redundancies at Rylands-Whitecross, like many others at manufacturing plants in the area, were achieved peacefully. Employers and trade union officials in Warrington and Runcorn stress that the area enjoys excellent industrial relations, and distance themselves from the contrary reputation which often attaches to nearby Merseyside.

Brewing and related activities are firmly integrated into the local economies of both Warrington and Runcorn. In Warrington, this sector is represented by the Greenall Whitley companies and Tetley Walker, while Runcorn houses the huge Bass brewery and a Guinness plant.

Other major employers in Runcorn include YKK Fasteners (UK) and Schreiber, furniture manufacturers. But while New Town status since 1964 has widened Runcorn's industrial base chemicals remains the town's predominant industry, with ICI the largest employer.

Runcorn is the headquarters of the company's Mond division—its general chemicals division named after Ludwig Mond who in the last century made an important contribution to the development of chemical processes in Britain—a reminder that Runcorn and Widnes is regarded as the birthplace of the UK chemicals industry. But chemicals does not provide the number of jobs that it once did.

Chemicals

Both the Mond division's administrative and research headquarters and its Castner-Kellner works are located at Runcorn. The Mond division is responsible for 15-20 per cent of ICI's total UK interests, producing a range of heavy chemicals for industrial applications. But a policy of heavy investment in modern technology pursued by the division has inevitably led to the need for fewer staff than in the past.

The run-down of a traditional industry such as chemicals has left the area with more than an aggravated unemployment problem. Being the birthplace of the chemicals industry has left the area with a unique blend of industrial pollution problems now that the firstborn parts of that industry have reached the graveyard.

"We have been reclaiming 40 acres of land polluted with chemical waste each year since 1974," says Mr Robin Randall, industrial development officer of Halton Council.

"The area has much to offer new employers in terms of its excellent communications, good quality workforce and cheap land. But we are aware of the need to promote a positive image of a district still seen by many outsiders in terms of the chemical industry as it used to be."

With strong support from ICI, an Employers' Group has been set up in the area to seek means of tackling unemployment problems and stimulating industrial development. The local authority is represented on the group and private sector employers congratulate the council on its efforts to improve links with local industry and respond to its needs.

"There has been a decline in traditional sectors like the small engineering works at the same time as major employers like ICI have been shedding labour," says Mr Ron Carson, secretary of Halton Chamber of Commerce.

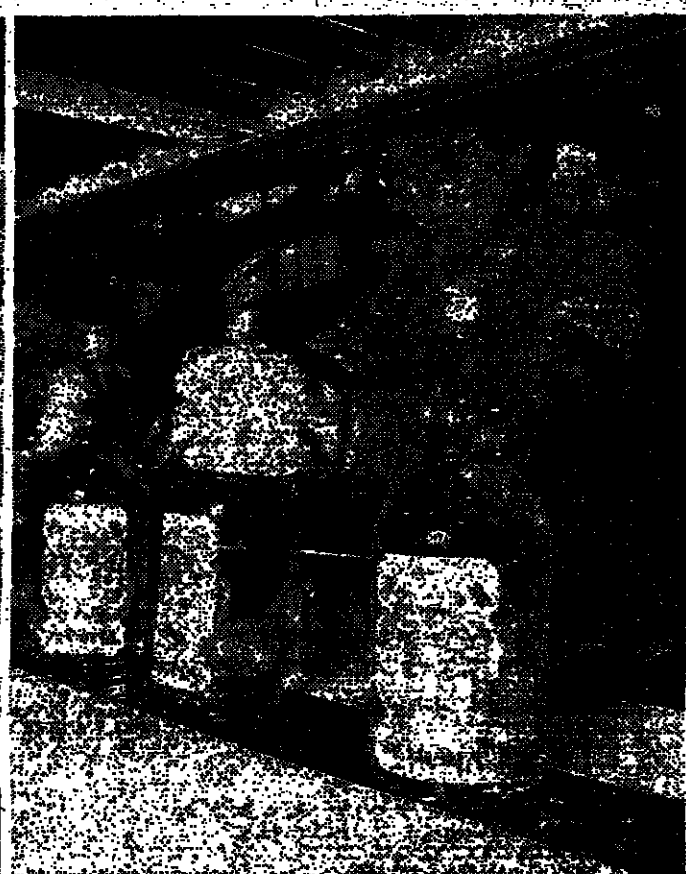
"It is not only a question of the current state of the economy, but changing patterns in industry. I do not see how there can be sudden, major improvements in the problems arising from job-losses in traditional industries, but the development of Runcorn New Town has at least varied our industrial base."

There is no shortage of initiatives to help stimulate the area's business potential. The Chamber of Commerce is considering introducing an electronic data base to try to put smaller companies in touch with new markets, while Business Link—a local enterprise agency—operates from a shop in the centre of Old Runcorn.

The agency is currently completing a review of its activities between December 1979 and February 1983. This gives it credit for preserving 577 jobs and creating another 491.

At least some of the employment opportunities which have been lost as old-established employers have restructured are re-appearing in new businesses.

Alan Pike



Ryland-Whitecross wire manufacturing plant (left)—one of Warrington's largest employers in the town's traditional industrial sectors. Warrington is also the home of the famous Vladivar vodka (right), seen coming off the packaging line at G. and J. Greenall's plant

Record sales for Warrington vodka

VLADIVAR VODKA made Warrington nationally famous as an industrial location long before Mr Eddie Shah's dispute with the National Graphical Association had the same effect.

Since the early 1970s, a sustained and light-hearted marketing campaign woven around the themes of Warrington and the Russian vodka-drinking habit has helped to establish Vladivar as the UK's second best-selling brand.

Vladivar is produced by Gilbert and John Greenall, part of Greenall Whitley—the UK's largest independent regional brewery—which has its head office in Warrington.

The distinctively marketed vodka is G and J Greenall's best-known brand, but the company also own-brands G and J Gin, Santa Maria Spanish and Capricci Italian wines. Vladivar's market position has been helped by a link between Greenall and Scottish and Newcastle Breweries, making Vladivar the house brand in Scottish and Newcastle's 1,000 public houses.

Greenall Whitley controls more than 1,100 tenanted and managed public houses—mainly in the North West and North Wales—and 118 managed off-licences in the North and Midlands.

Pre-tax profits of the group were up 16 per cent to £24m in the year to September 30 1983, and Mr Christopher Hatton, chairman, says sales and pre-tax profits for the first months of the current financial year are ahead of the corresponding period.

Beer sales decline

Last year's 16 per cent increase in profit was achieved despite a continuing overall decline in beer sales, which even the hot spell during the summer was unable to reverse. But public house turnover and profits increased through improved non-beer sales, and the group's beer businesses increased their operating profit by 7.3 per cent.

The group's wines, spirits and soft drinks interests performed strongly last year, with record sales of Vladivar and the own-brand wines helping to produce a 40 per cent improvement in operating profit.

Greenall Whitley's interests as a broad leisure group include 22 hotels in the UK and Treadway Inns, which operates eight hotels in the U.S. The group also took over Arrowsmith Holidays, which operates out of Manchester Airport, following the collapse of Laker Airways.

The holiday business, which made a £1.1m loss in the past financial year, has been undergoing "extensive and continuing rationalisation" under Greenall Whitley management.

A.P.

Science park an addition to region's facilities

IF CHESHIRE ranks third after the M4 corridor and central Scotland as the area of Britain with the highest potential for the location and growth of high technology industry, as some believe, at least part of the credit must be given to Warrington New Town.

If Warrington's initiative in developing its Birchwood science park ranks as a success, at least part of the credit must be due to the presence of a major administration and design concentration of Britain's nuclear industry, established long before the science park concept became fashionable and ready-made to add a bonus-in-depth to Warrington's advanced industrial aspirations.

The town's Development Corporation identified an opportunity and acted on it well ahead of most other authorities. It was helped by good fortune in being able to match much of the basic criteria associated with science parks, including greenfield or fringe sites, scope for low density, good quality landscaped development, modern communications, and an environment favourable enough to attract skilled staff, including a substantial graduate element.

What Warrington cannot claim is a direct link to a university campus. The nearest technology-based university is 25 minutes' drive away, although a number of the companies making up the Birchwood community have an academic interface. Overall, Warrington's definitions are more flexible than some applicable elsewhere —even if, arguably, they justify the designation "business park" rather than "science park."

"We are concerned more with what companies want rather than with what developers want, or what academic institutions want to see," says Colin Cawley, Development Corporation sales manager. Wider interpretation has seen 50 companies establish at Birchwood Science Park, including well-known names and a strong U.S. representation. Together they rule out anything beyond marginal further development on the 73-acre site.

One exception seems likely to be a new facilities building by Orbit Developments on land it owns as a major extension to Data General's established European field engineering training centre at Birchwood. A 40,000 sq ft first phase is envisaged, with a further 20,000 sq ft to follow.

Mr Colin Cawley, sales manager of the Development Corporation, seen at the Birchwood Science Park

Orbit, which earlier funded, built and continues to own a 40,000 sq ft building now occupied by Digital Equipment as its North UK headquarters, reports an upturn in institutional interest in science park developments.

The largest single building is a 325,000 sq ft British Nuclear Fuels engineering office development now at an advanced stage of construction and due to be fully occupied by this summer. BNFL, which from Birchwood will direct a planned capital spending programme of £4,000m over the next decade, has a headquarters staff of 2,500. About 1,800 of them will be housed in the pagoda-style complex, brought together under one roof after working from several different buildings.

Concentrated

BNFL headquarters at Birchwood makes up one of the largest high-technology concentrations in the country, with 1,000 senior engineers, 500 draughtsmen, 100 management staff, 600 clerical staff and 190 apprentices. Alongside, the headquarters of the Northern division of the United Kingdom Atomic Energy Authority employs just over 2,000 and the National Nuclear Corporation a further 500.

In contrast, Birchwood's Genesis Centre has been designed to provide individual suites from just under 500 sq ft up to 5,000. The level of interest in the first phase of nearly 50,000 sq ft was sufficiently encouraging to persuade the Development Corporation to complete a second phase, bringing the total up to around 126,000 sq ft on four levels. At present around 60,000 sq ft is available.

Genesis currently accounts for some 35 of the 50 companies located in Birchwood Science Park. Among them is a strong reflection of the national growth in computer-related activities. But it is not an over-weighted proportion, in the Development Corporation's view. So far there has been only one case of business failure among small companies housed in Genesis.

"There have been some interesting new developments since the second phase was completed, including robotics and biotechnology activities," said Mr Cawley.

There is growing evidence of companies being attracted to Birchwood by an inter-relationship with activities carried on by others already located there. Nuclear Associates (Control Data), specialising in nuclear engineering, fuel management and software services for the nuclear industry, is one example. Its neighbours in Genesis Centre include two customers, a supplier and a competitor.

Some smaller Birchwood operations soon found themselves in need of additional accommodation. Impell Corporation, providing nuclear engineering consultancy services and specialised software, chose Warrington rather than *London for a UK office location* to be near a major focus of Britain's nuclear industry.

Impell is now looking at further space within Genesis which would effectively quadruple its floorspace there within a year. Meanwhile, Applied Micros, a home-grown enterprise which now occupies 4,000 sq ft in Genesis, has found it necessary to make three moves in three years to accommodate its expansion.

The new focus will be a second science park to be known as Birchwood Boulevard in a 30-acre setting half a mile from the first park. The Development Corporation says it is "very close" to a pre-let of one of the first two buildings, each 10,000 sq ft, due to be completed this summer.

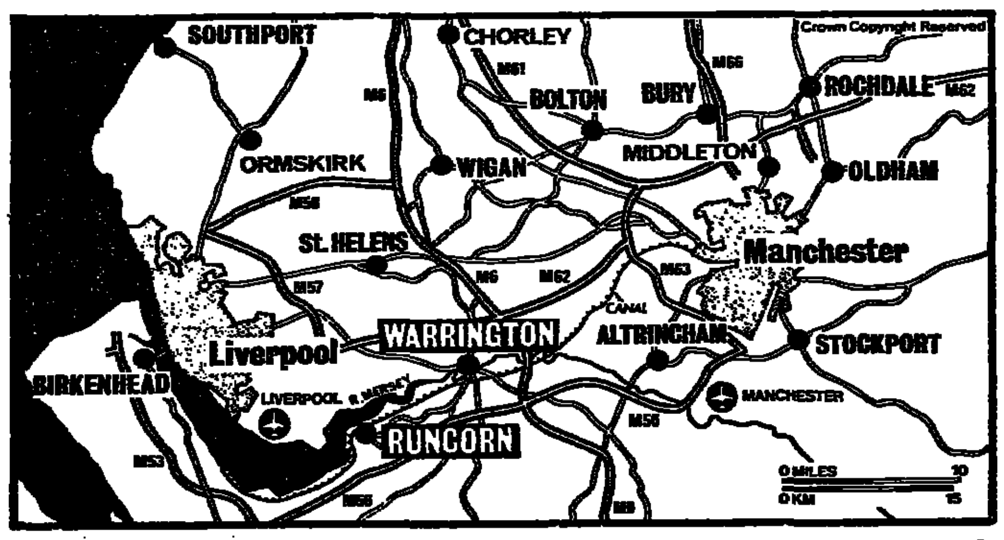
Just over 20 acres are being marketed as ground lease sites and the Development Corporation envisages a small unit pattern on much the same lines as Genesis but based on individual buildings rather than a multiple complex. It is currently at the design stage for a further scheme providing space from 1,000 sq ft.

Short of a major upsurge in the demands of high technology industry, the probability is that the idea of a third and even more ambitious science park for Warrington will now be forgotten following Government refusal 18 months ago to allow the projected Peterspear park to go ahead south of the Mersey near Appleton.

Instead, the emphasis will switch to Runcorn, where the Development Corporation, which now has responsibility for both new towns, intends to develop a first phase of 90,000 sq ft of buildings for high technology occupation at Manor Park. The infrastructure is being prepared for a development which, Mr Cawley believes, has considerable potential.

Runcorn starts with an advantage in terms of incentives, at least under the present pattern of regional aid, in having special development area status. Warrington is non-aided.

Tom Heaney



Warrington and Runcorn's geographical location, close to motorway, rail and air links, has led to the region's expansion as a national distribution centre for some of Britain's largest companies


Warrington's town centre shopping area, above, and an artist's impression of part of the new Golden Square precinct

Key location at heart of motorway complex

UNLIKELY AS it may seem, *Warrington is at the centre of* Britain. Equidistant from the sea, of course, it is not: what matters nowadays is not how far you have to go to get somewhere but how long it takes.

Time taken to drive 50 miles will be much less by motorway than by even A-class roads. It is the motorways that have put Warrington in the middle of Britain.

Nearly 200 companies, some of them among the biggest, have realised just what this means. For many of them the rapid distribution of goods or produce is critical, and with transport *costs rising continuously, the* ability to optimise the process is a major influence on competitiveness.

Warrington's accessibility has grown with the motorways system. The new town was grafted on to the old, expanding as the new motorways ran north or east or west. It has proved a happy confluence of infrastructure with market forces which none foresaw in the days of cheap petrol when the new town and the motorways were first planned.

Warrington stands near the junction of the M6, Britain's main link between the north and the M1 to London, and the M62 from Liverpool to Hull via Manchester and Leeds. Five minutes (by motorway) to the south, the M56 crosses the M6, linking Manchester directly with Chester and the chemicals and oil complexes of Ellesmere Port and Runcorn.

Liverpool or Manchester can be reached in less than half an hour. Sheffield and Leeds within an hour, Birmingham and the West Midlands within 90 minutes. These cities comprise a market of about 15m people, but that is only the beginning of the attractions.

The North East is within three hours' driving, with Bristol, Cardiff, Southampton or London within three to four hours. Glasgow and Dover are each within four-and-a-half hours. Therefore the bulk of the consumer market and nearly all British industry is within fairly easy reach.

That all this may be a piece of geographical good luck for Warrington, rather than a piece of brilliant planning, is indicated by the numbering of the junction with the M62. It is junction 21A on the M6, clearly an afterthought, though it has a whole number to itself—10—on the newer M62.

Big names

Companies clustered around it include Safeway, Woolworth, Goodyear, Rowntree Mackintosh, Cadbury, Schweppes, Sanyo, Marks and Spencer, and Securicor. Mr Colin Cawley, sales manager of the New Town Development Corporation, expects to conclude deals with two other household-name companies in the near future.

Once at the junction, most of the companies have found the advantages so great that expansion has been inevitable. The most notable example in the past few months has been Marks and Spencer, which started with 40,000 sq ft of warehousing and is in the process of doubling it as a temporary step towards putting up another 70,000 sq ft.

Sanyo, too, is expanding — from 50,000 sq ft to 80,000 — while Securicor's success as a parcels distributor has led to its trebling its initial 20,000 sq ft.

Ironically, one person who moved to Warrington to give his company easier distribution for its time-critical products — newspapers—discovered another edge to the weapon this winter. He was Mr Eddie Shah. The very motorway network that offered him such advantages also allowed the easier influx of pickets from all over the country to try to stop his newspapers going out.

The growth of Warrington as a distribution centre has also brought in jobs, proving false old notions that there are few new jobs in warehousing. Securicor alone employs about 200 people, comparable with many manufacturing concerns occupying the same area with a factory.

Rail links

There are jobs for drivers, warehouse workers, and goods handlers; and as distribution becomes increasingly an exact science of planned routes with optimised loads drawn from a carefully calculated stock, so managerial and data-processing jobs have been created as well.

Warrington has been a key point on the West Coast route to Scotland for centuries, and before the coming of the railway and the bridging of the Mersey at Runcorn-Widnes it was the most westerly river crossing.

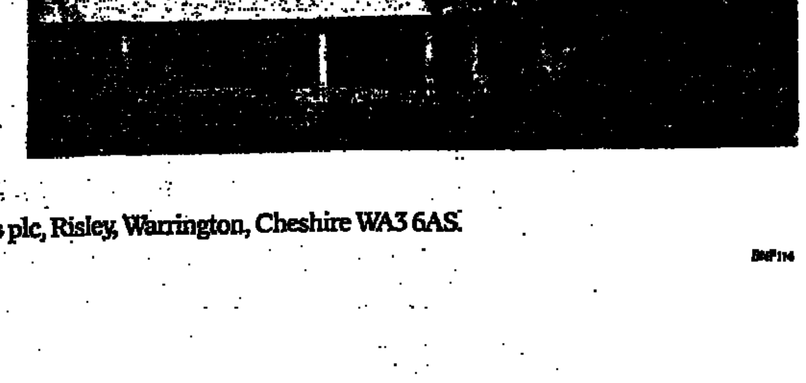
The railway strengthened its position further, doing for Warrington in the 19th century what the motorways have done in the 20th. British Rail is, of course, still vital, with fast Inter-City passenger services and a Speedlink terminal for shipping freight anywhere, including direct to the Continent through Hull.

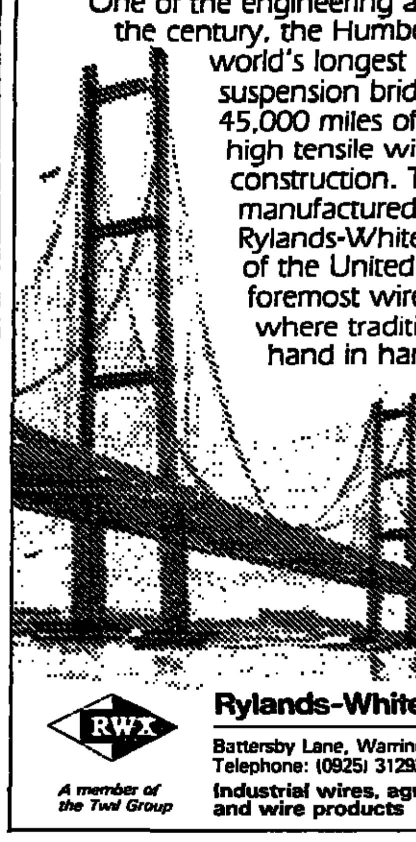
Even that does not complete the transport story, for the motorways put Manchester International Airport only 20 minutes away from Warrington with not a single traffic light to impede progress. Since Manchester offers scheduled flights to most important business destinations overseas or appropriate connecting flights, Warrington has yet another transport-based advantage.

This has been crucial in attracting high technology companies into the Birchwood Science Parks. In effect, Warrington can claim that it has an international airport closer to its factories in time than the airports of many of the world's major cities — simply because of the motorways.

The expansion is not over yet. Mr Cawley has two 15-acre sites and several smaller ones yet to sell. He does not think there will be any difficulty, given the benefits he can offer.

Ian Hamilton Fazey





WARRINGTON AND RUNCORN 4


Left: British Nuclear Fuel's new office complex in Birchwood. Right: part of the Golden Square shopping precinct at Warrington

A record year for industrial and commercial property signings

More resources channelled into small units

NUMERICALLY, company signings by Warrington-Runcorn Development Corporation in 1983 set a record. The total reached 128, lumping together newcomers and existing industrial occupiers committing themselves to additional space, against the previous record of 113 signings in 1982.

Over the three months September-November 1983 there were 42 signings, the new towns' highest ever in a quarter, followed by a further 21 in December and January.

The bare figures, encouraging enough in suggesting signs of a more promising economic climate, tell only part of the story. Most of the signings involved small firms and, in terms of new floorspace occupied, the total at no time approached a record. The knock-on effect was fewer jobs created rather than more.

Reacting to market conditions, the Development Corporation basically halted further mainstream speculative building from the end of 1982, channelling its resources instead into small units and making the most of its science park potential. By the end of last year it still had an overhang of around 780,000 sq ft of vacant floorspace, largely accounted for by units in the 10,000-20,000 sq ft range.

According to Colin Cawley, the sales manager, the corporation is "now starting to eat away" at this stock. By mid-February more than 120,000 sq ft had been let. The corporation will not be drawn on any concessions it might be prepared to make to move it faster. "Let's say we remain competitive," said Mr Cawley.

Warehouse and factory units at the Grosvenor Grange 19-acre site, Warrington

Because of new development lead times, the corporation is now starting to look further into the future and is expected to consider possible further mainstream development which would take it into 1985.

Although completions by the Development Corporation in 1983 were limited to a 77,000 sq ft second phase at its high-tech Birchwood Genesis Centre and a pre-let 10,000 sq ft office development near Warrington town centre, the year also saw the marketing of the first phase of a private sector initiative by Grosvenor Estates. It was its first industrial venture locally, at Warrington's largest new town employment area, the Grange.

Construction of 86,200 sq ft of warehouse and factory space at Grosvenor Grange estate, in unit sizes ranging from 3,150 to 11,300 sq ft, accounts for around five acres of the 19-acre site in which Grosvenor plans to invest £10m. A rent of £2.25 has been achieved for a unit of just over 3,000 sq ft and £2.10 sq ft for two lettings of around 5,000 sq ft.

The pattern of inquiry reaching the Development Corporation itself currently touches on opposite ends of the scale. Demand for nursery-type units, in many cases reflecting business start-ups, is such that it is "difficult to satisfy." An interest in large space, particularly at Warrington, is also singled out.

At the 100-acre Winwick Quay, newest and smallest of Warrington's three main employment areas, 15,000 sq ft of small unit construction in the 1,000-2,500 sq ft range is due to be completed soon and marketed at £2.50 a sq ft. It will be followed later this year by 27,000 sq ft of mini-units at Risley employment area. The corporation is marketing its small units on three-year leases with monthly rentals with provision to terminate within three years.

Marks and Spencer, which has had a distribution centre in Warrington for only two years, is now involved in expansion on the Grange site, where it has been occupying 40,000 sq ft. It has taken an extra 40,000 sq ft and is now in the process of adding a further 70,000.

Meanwhile, at Risley employment area, Securicor has expanded to a new 60,000 sq ft purpose-built parcels distribution centre from a 20,000 sq ft location at Grange. It has also built a 15,000 sq ft vehicle servicing centre at Risley.

These latest developments emphasise Warrington's attractions as a centre for service sector growth, particularly in distribution, backed by its outstanding modern communications. These, according to corporation general manager David Binns, surround Warrington-Runcorn by more miles of motorway than any other new town.

Corporation estates in Warrington and Runcorn house nearly 350 companies employing 12,000. Between the two towns there are clear differences in industrial structure. At Runcorn, which now ranks for Special Development Area status, nearly 70 per cent of local companies are in manufacturing, against little more than 25 per cent in sales, distribution and service.

At Warrington, which is non-aided, the order is reversed, with sales, distribution and service accounting for 72 per cent against only 23 per cent in manufacturing.

Around 90,000 sq ft is currently under construction at Runcorn, including a scheme at Astmoor with unit sizes from 3,000 to 10,000 sq ft and another at White house offering units of 1,500-5,000 sq ft. Rentals for medium-sized units are £1.95-£2 sq ft. At Warrington they are around £1.65-£1.95.

Runcorn boost

While Warrington can claim more signings, employment projections are higher for Runcorn, helped by a move by Ritz Manufacturing, a Marks and Spencer apparel supplier, from 12,800 sq ft of space at Astmoor to a 64,000 sq ft unit. This brings with it the prospect of 150 more jobs this year and a further 150 next year, adding up to the largest single company job creation at either new town for at least two years.

With the benefit of SDA incentives at present, it appears that Runcorn stands the better chance of winning whatever footloose manufacturing industry there might be which chooses to set up in this part of Cheshire. Conversely, Warrington is more likely to be the first choice for incoming service industry.

Tom Heaney

Campaign intensified to attract home-buyers

OCCASIONAL television viewers in the North West could be excused if, momentarily, they have sometimes been uncertain which channel they have been watching. Kenneth Kendall, for long a BBC newsreader, has been appearing on screen relentlessly promoting Warrington Homefinders' Centre and the town's attractions for people with home-owner aspirations.

The commercials have been generating many of the 400 inquiries a month received by the centre, which provides a convenient town-centre reference point at the headquarters of the Development Corporation for information about developers, housing areas, and house types available or planned in the new town. There is a similar service in Runcorn.

Warrington began as a new town wth a higher proportion of owner-occupied housing than might have been expected. An early social study carried out by Opinion Research Centre for the Development Corporation estimated that 62 per cent of the population of the designated area at that time lived in owner occupied homes. About half the area's houses were semi-detached.

What has happened since, and particularly in recent times in response to public spending curbs, must extend the owner-occupier sector further and have implications for the social blend of some newly-created neighbourhoods. Currently, the rented building programme is nil, apart from two small sheltered schemes under construction at Warrington. In Runcorn, 10,000 rented homes have been built to complete the new town's programme.

Now, no fewer than 21 house-builders, among them well-known national names, are at work on 37 sites at Warrington and eight on nine sites at Runcorn in developing houses for sale. This year's projected building programme promises to see between 850 and 900 completed at Warrington, the highest figure since designation of the new town.

Wide choice

At Runcorn, completions are expected to reach 250-300. For the financial year 1985-86 it is expected that sights will be set even higher at around 1,000 new homes at Warrington and 500 at Runcorn.

The main emphasis of Warrington's private sector development is north of the Mersey, where there is a wide choice of sites, sizes and prices ranging from furnished studio homes at Gorse Covert at £12,995 and one-bedroom houses at Callands at £19,600 up to four-bed detached houses at Locking Stumps at £58,995. South of the Mersey, at up-market Dudlows Green, there are four-bedroom houses at up to £126,000.

According to Warington Homefinders' Centre, about 40 per cent of buyers originate from beyond a 25-mile radius of the new town and another 40 per cent from inside a 25-mile radius, including Greater Manchester and Merseyside. The balance appears to be accounted for by people already living in the Warrington area moving to new homes.

One helpful factor which appears to be of growing significance in the market range up to £30,000 is the availability of shared-ownership schemes open to first-time buyers approved by the Development Corporation under which they can start by part-buying and part-renting their home, later going on to complete the purchase as their personal finances improve.

At one new Bellway development, offering homes in the £20,000-£30,000 range, about three-quarters of the initial uptake of 20 have been on a shared ownership is estimated to account for about half the early uptake.

When public attitudes to Warrington New Town were sampled in the early 1970s it was calculated that three-quarters of the population saw advantages in having new town status. Among women, the prospect of improved shopping was singled out. A better night-life, better roads and better sporting facilities were spontaneously listed by more than 10 per cent of the population.

Much has been achieved in both Warrington and Runcorn in providing more spacious living, a planned, coherent environment, better social and recreational facilities, and a comprehensive range of shops. Warrington in particular is now the centre of a good deal of retail activity.

The most recent multiple to move on site is Associated Dairies Group, which has begun building an Asda superstore of 73,700 sq ft gross with a target completion date before Christmas. J. Sainsbury is also developing a central area supermarket in Warrington.

Meanwhile, the Prince and Princess of Wales are due to unveil a special sculpture in May to set the seal on the £20m town-centre Golden Square shopping complex, funded by Legal and General in partnership with Warrington Borough Council. The 8.3-acre scheme provides 350,000 sq ft of lettable space and major store occupiers include Marks and Spencer, C & A, British Home Stores, W. H. Smith, and Mothercare.

For the future there is also the Development Corporation's Phipps Commerce Park proposal for a 75-acre site to the west of Warrington town centre and close to the M62. The concept is described as "quasi-retail" and a response to non-food concerns looking for large outdoor display and exhibition areas and unable t find suitable locations in other parts of the town.

It is envisaged that it could include a garden centre, a caravan and boat centre, a self-assembly furniture supplier and building suppliers, thus complementing Warrington's existing retail businesses.

At least 21 house-building companies are at work in Warrington: Above: examples of new housing at Birchwood

FUTURE FINANCIAL TIMES REGIONAL SURVEYS

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September	Redditch
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For further information please contact Sue Cohen on 01-248 8000 extension 4342, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

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Accountancy Appointments

Financial Manager

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Our client, an autonomous UK subsidiary of a European business machine manufacturer, is a marketing and distribution company with a substantial UK market share. Continuing development in the latest technology has led to a UK turnover in excess of £20 million.

An experienced Financial Manager is currently required to head the total accounting/finance and administrative activities of the company. Reporting to the Managing Director the position carries considerable responsibility and will include financial control, treasury, taxation, legal and company secretarial duties, insurance and distribution management.

Aged 35–45, candidates will be Chartered Accountants currently in a senior financial role in an international sales and marketing/distribution environment. Applicants must possess excellent man-management skills (as the division incorporates over 50 staff) and be able to delegate specific areas of the role. A strong character is vital for success in this demanding position together with the ability to make a positive contribution to the future development and growth of the company. A working knowledge of German would be useful.

An attractive package is offered including a pension scheme, fully expensed executive car and participation in a substantial profit share scheme from January 1985.

Interested applicants should write to John Sheldrake quoting ref. 997 enclosing a comprehensive curriculum vitae at PO Box 143, 31 Southampton Row, London WC1B 5HY.

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To discuss this opportunity in greater detail, telephone Diane Cotton (Personnel Manager) on Bracknell (0344) 58203 (direct line). Alternatively, apply to her in writing enclosing your full cv and details of remuneration. 3M United Kingdom PLC, 3M House, PO Box 1, Bracknell, Berkshire RG12 1JU.

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Group Financial Controller Financial Director Designate

Nationally branded consumer products plc engineering group requires a Group Financial Controller with the ability to progress to Group Financial Director.

Self-motivation and the ability to control and inspire staff essential as is good all-round technical knowledge and the confidence to up-date systems as necessary so as to present management with relevant information to monitor the group's performance.

Clarity of thinking and the capability to communicate clearly both orally and in writing essential. The skill to negotiate with others is also necessary as is the ability to understand, negotiate and prepare normal commercial contracts.

A good salary is envisaged with the usual fringe benefits.

Write with full particulars to:

Box A8515, Financial Times, Bracken House
10 Cannon Street, London EC4P 4BY

Treasurer and Company Secretary

c.£20,000 + bonus + car

Following an internal promotion, an accountant (preferably chartered) in his/her 30s with substantial post-qualification professional, commercial/industrial experience, is required to provide an expert and reliable financial reporting and specialist advisory service for Johnson & Johnson Limited, to fulfil all corporate obligations. The position also includes similar responsibilities for some smaller group companies.

The main responsibilities are concerned with financial reporting, tax, audit, treasury and accounting methods and procedures and maintaining regular contact on a professional level with appropriate senior management both inside and outside the corporation.

The total staff within the department is 35, including 4 experienced and qualified managers.

The remuneration package is completed by the usual benefits expected of a major international employer, including relocation assistance.

Please apply in writing with full personal and career details to Ernest Burdis, Personnel Executive, Johnson & Johnson Limited, Brunel Way, Slough, Berkshire SL1 1XR.

Johnson & Johnson

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Surrey c. £20,000 + car

Our Client is a privately controlled diverse group operating throughout the Southern Home Counties in general construction and property development. As part of their plans for steady expansion, they wish to recruit a widely experienced Chartered Accountant as Finance Director.

With responsiblity to the Chairman and the Board, the prime tasks will include the development of comprehensive, timely and reliable interim accounts, as well as providing effective financial guidance to management and exercising proper accounting control. The group is in the course of implementing computerisation and will be approaching the U.S.M. market in due course.

Candidates, must be qualified and should preferably be aged late 30's or 40's, must be widely experienced and able to exercise tight control over the accounting function as well as to participate actively in the financial management of the group. The salary is negotiable around £20,000 p.a., plus car, pension, BUPA, and a profit related bonus.

Applicants should write in confidence with full details of previous experience and current salary, quoting reference P/2016 to John Hills at

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A.I.M.

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Financial Director

DESIGNATE

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We would like to hear from applicants with sound experience in financial and cost accounting and also with experience of computerised accounting systems. The successful candidate will play a significant role in the general administration and running of this medium-sized, expanding company. Apply to:—

D. C. Rose, Managing Director
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Telephone: 0753 24156

Financial Controller

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- **experience at a senior level within finance, preferably in the printing industry**
- **sound business sense with the commitment to make profit**
- **the capacity to work under sustained pressure and ability to motivate others accordingly**
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Successful applicants will be rewarded with a salary circa. £16,000 together with an attractive benefits package.

Candidates who can satisfy the above requirements should send a full c.v. to: John Wood, Personnel Manager,

CHROMOWORKS LTD.
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Accountancy Appointments

كاملة الأجزاء

Accountancy Appointments

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W. Home Counties
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Candidates should have excellent commercial experience, preferably in an entrepreneurially run business, and will be expected to contribute positively to management. The salary is negotiable around £15,000 p.a., plus car, pension and health arrangements, together with some form of profit share.

Applicants should write in confidence with full details of previous experience and current salary, quoting reference L2018 to John Hills at

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LONDON W1

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If you are a professionally qualified accountant, ideally with some experience in a manufacturing environment and aged over 25, we can offer a challenging role with excellent prospects for career development.

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To apply, please write, with full career details to:
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Please quote ref: FT/009/AD.

Together, we can find the answers.

Honeywell

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Complete command of English is required, a knowledge of French and/or Spanish would be an advantage.

Only nationals of the following countries should apply: Australia, Iceland, Indonesia, Japan, Romania, Singapore, Sweden, Venezuela, Yugoslavia.

Applications, quoting reference V/BUDFIN/2/84 and with complete curriculum vitae, should be sent to: Room 4-75, International Labour Office, 4 route des Morillons, 1211 Geneva 22, Switzerland. Closing date: 13th April, 1984.

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Please apply to Anthony Jones, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London, WC2A 1EG, tel: 01-242 5775.

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Management Accountant

c. £13,000 **Manchester**

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Please write with full career details to:

The Personnel Department,
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(or telephone 061-228 6333 for application form)

NCC
The National Computing Centre

Financial Accountant

c£17,000

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Please send c.v. by 16th March to Allan Derwent George quoting reference YA/301/FT.

Crown Agents

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Please apply in writing giving brief details of career to date to Box A8520, Financial Times, 10 Cannon Street, London, EC4P 4BY.

PRINCIPAL AUDITOR

Grade PO5 - £14,022–£15,336

This post heads the Audit Section and its prime objective is to organise, plan and control audit resources in an efficient manner in order to meet the target set in Croydon's audit manual.

The successful applicant must be able to lead and motivate a multi-disciplined section. Experience in a large local authority preferred.

For an informal discussion please contact Mr R. S. Block, Assistant Director, on 01-686 4433, extn. 2557. Applications should be sent to Director of Finance, Municipal Offices, Fell Road, Croydon, Surrey CR9 1BQ, by 23rd March 1984.

CROYDON
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TECHNOLOGY

EDITED BY ALAN CANE

MOD £17.98m ORDER FOR NIGHT VISION COMPONENTS

EEV intensifies its image

BY ELAINE WILLIAMS

EEV, PART of the GEC Group, sees a bright future for its night vision system as a result of its £17.98m order for image intensifiers from the Ministry of Defence.

The money will allow production of its latest development in image intensifiers which will be at the heart of night vision systems. The so-called third generation intensifiers are smaller and more effective than previous types allowing objects several hundred metres distant to be clearly seen. Only bad weather and low cloud can prevent use.

Applications include gun-sights for tanks and armoured vehicles, systems to enable helicopters and fixed wing aircraft to fly at low levels at night and outside the military field, in security surveillance and animal studies.

An image intensifier consists of three basic elements. An objective lens system to collect what remains of the light radiating in the night sky. It is a purely passive device which provides no extra illumination. The light is focussed onto the image intensifier which converts it into photoelectrons.

Using a microchannel plate the electrons bounce their way down the gap between the plate elements. As they do so secondary electrons are produced as they strike the plate surface so amplifying the original light. This is then accelerated through an electric field to hit a phosphor screen which produces a visible image.

The secret behind EEV's improved image intensifiers is an added gallium arsenide layer at the photocathode which increases the number of photoelectronics emitted. Gallium arsenide is a semiconductor which is likely to supplant silicon in the production of some integrated circuits and other electronic components, because it operates faster and at lower power. Mr Hans Sholtz, manager of the third generation of image intensifiers, says that these devices are two thirds more efficient than the second generation thanks to the extra gallium arsenide layer.

A new production at its existing Chelmsford site will eventually increase production to 110 tubes a month. It will raise the present workforce of 30 to about 100, many of them skilled engineers.

Demand for image intensifiers is outstripping supply according to Mr Mike Mandl, EEV's recently appointed general manager. Within three years the world market for these components will grow to more than £120m.

The British company is likely to be the first to manufacture these intensifiers though U.S. companies such as ITT are known to be developing them too.

EEV is changing its image and moving more and more into the high technology field. Its roots lie in its original name English Electric Valve. But this was dropped because of the inference that valves were still its main business.

EEV is investing about £5.2m in capital equipment to increase its production. It has developed its own machinery to produce the fine gallium arsenide layers using techniques which would not be out of place in an advanced semiconductor plant.

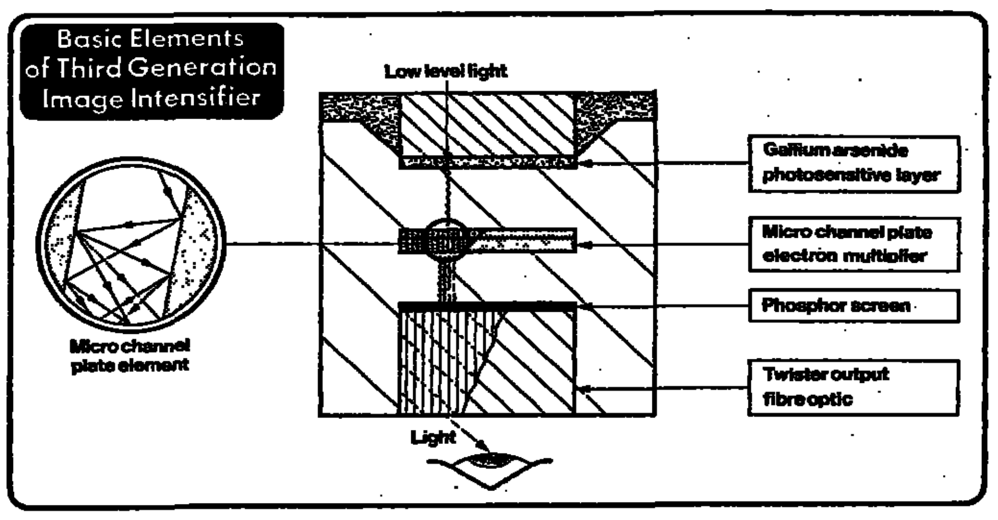
Three machines are used to "grow" gallium arsenide layers onto a substrate, followed by selective etching to leave a gallium arsenide layer with the correct characteristics. This layer has to be activated to produce photoelectronics by adding caesium oxide in a vacuum of 10-12 Torr. Mr Sholtz says that few companies use such low vacuua commercially. The machines, which require fine control use low cost BBC microcomputers as the overall master of the operation.

The vacuum machine also designed to EEV's specification, produces these low vacuua. In this machine all the parts of the intensifier are assembled. This obviates the need to pump out air from the system at a later stage to produce the right operating conditions.

The company intends to build a further 30 to 40 vacuum machines and six new ones to produce the gallium arsenide layers. The vacuum machines alone cost about £35,000 each.

The ability to process gallium arsenside using its own technique gives EEV an opportunity to branch out into other commercial fields such as in producing solar cells, light emitting diodes and lasers used in optic fibre communications systems. The company has already produced some experimental solar cells.

EEV's turnover has grown by 75 per cent over the last four years and in that time spending on research and development has been between 8 per cent and 12 per cent. It intends to maintain this level of research funding in order to increase its range of future products.



Above shows the principal components of the third generation image intensifier. Light is collected and focused on to the image intensifier. The gallium arsenide is more efficient in its collection of electrons. At the micro channel plate secondary electrons are produced, these then hit the phosphor screen. Below is Hans Sholtz, manager of the new intensifiers, at one of the new production machines.

EXPERIMENTS IN SPACE

ESA asks for cut-price shuttle deal

BY PETER MARSH

OFFICIALS AT the European Space Agency in Paris are about to embark on a new version of shuttle diplomacy.

Over the next few months they will try to persuade the U.S.'s National Aeronautics and Space Administration to reduce its charges for putting scientific experiments on the space shuttle.

In return, the ESA representatives will offer the American agency the use of space hardware that Western Europe plans to develop over the next five years.

The European agency is a "club" for space activities with running costs shared by 11 West European nations. Planners are proposing an ambitious programme for work in low gravity that would follow the successful first Spacelab mission last November.

Spacelab is the world's first reusable space laboratory that ESA developed at a cost of £500m. With room for two or three people and several racks of experiments, Spacelab is carried a couple of hundred kilometres above the earth inside the cargo bay of the American space shuttle.

Inside the module, researchers can examine the behaviour of metals or biological specimens under the exotic conditions of low gravity. Such work could form the basis of new industries in the heavens, for example in processing new materials.

But scientists in Europe are concerned at the high cost of future Spacelab trips. They will have to pay the commercial rate for hiring the space shuttle—which from next year will work out at about £70m for little more than a week of experiments in the heavens.

Planners at ESA have suggested a big boost in the agency's spending on work in low gravity. If ESA's 11 members agree to the plan, the organisation will spend some £90m over five years on experimental hardware to support Spacelab flights.

The cash would pay for equipment for automated tests on fluids and on the human body itself. The programme would also encompass reflights of hardware developed for the first Spacelab mission and a West German Spacelab flight due next year.

The ESA officials have calculated that to fly on the shuttle the hardware that they plan to develop would cost some £60m in fees to the U.S.

They want to reduce this figure to about £20m by setting up collaborative projects with Nasa in which the American agency waives its shuttle fees in return for use of scientific hardware.

Such a barter arrangement may come into force from 1987, in connection with the International Microgravity Laboratory programme. This is a series of Spacelab flights that the U.S. plans will be funded jointly by several nations.

Professor Heinz Wolff of Brunel University, chairman of the European agency's advisory committee on low-gravity experiments, says without a reduction in fees for using the shuttle, Western Europe's activities in space experiments will be severely restricted.

Even if the ESA programme on low-gravity work goes ahead, scientists still have to find the cash to support their individual experiments. This money comes not from ESA coffers but from sources in each member country.

Cash for this kind of work is thinly scattered. Work in space is hugely expensive—the bill for a simple experiment on the first Spacelab flight that tested liquid films came to £120,000, not counting launch costs.

Spraying

Plastering at the end of a gun

A SCHOOL in Kent has acted as the testing ground for a technique in spraying plaster by a hand-held gun.

In two weeks, builders plastered with the technique some 2,000 sq metres of walls at St Teresa's primary school in Ashford. Bagley Plastering of Ashford did the work using white gypsum plaster from Blue Circle.

According to Blue Circle, spray coating cuts time and labour costs and causes less mess than conventional plastering methods in which a labourer coats the material on a wall with a trowel.

OFFICE EQUIPMENT REPORT

IBM dominates in professional micros

DURING 1983, Europe spent about £3.5bn automating its offices with professional microcomputers (£1.5bn), text processing (£1bn) and communications (£1bn).

Over ½m professional micros were sold in Europe and IBM took the lion's share of 27 per cent. But Apple was not far behind with 23 per cent, followed by DEC and Triumph Adler both with 16 per cent, Olivetti with 11 and other makers with 7 per cent. There are now about 1m systems in Europe, the total value of which is over £5bn.

The figures appear in the latest issue of The International Office Automation Guide from Keith Wharton Consultants, a 160-page annual publication which provides a European product listing of electronic typewriters, word processors, personal professional computers, local area networks, private phone exchanges, dictating and facsimile machines.

The guide also contains an evaluation of market performance for 1983, in which Wharton concludes that for the first time, European business organisations spent more than £1bn on text processing equipment—a 250 per cent increase over 1980.

According to the guide, the dominant suppliers of electronic typewriters in 1983 were Olivetti, Olympia, and Triumph Adler, with 41, 25 and 13 per cent of the market respectively. Rank Xerox has 4 per cent and IBM is not listed—but Wharton thinks both companies in the next two years "will make very strenuous efforts to climb into a more prominent position."

Wharton thinks professional micros "are a strange market, because it is difficult to assess exactly how much value they are providing to the people purchasing them."

His researches indicate that 40 per cent of professional machines are taken home either in the evening or at the weekend. Only 11 per cent of machines go into large organisations and the first package the majority of buyers use is word processing, although a major professional use is spread - sheet planning. He thinks the majority of machines have so far been bought by enthusiasts, "who use their business as a reason for their purchase."

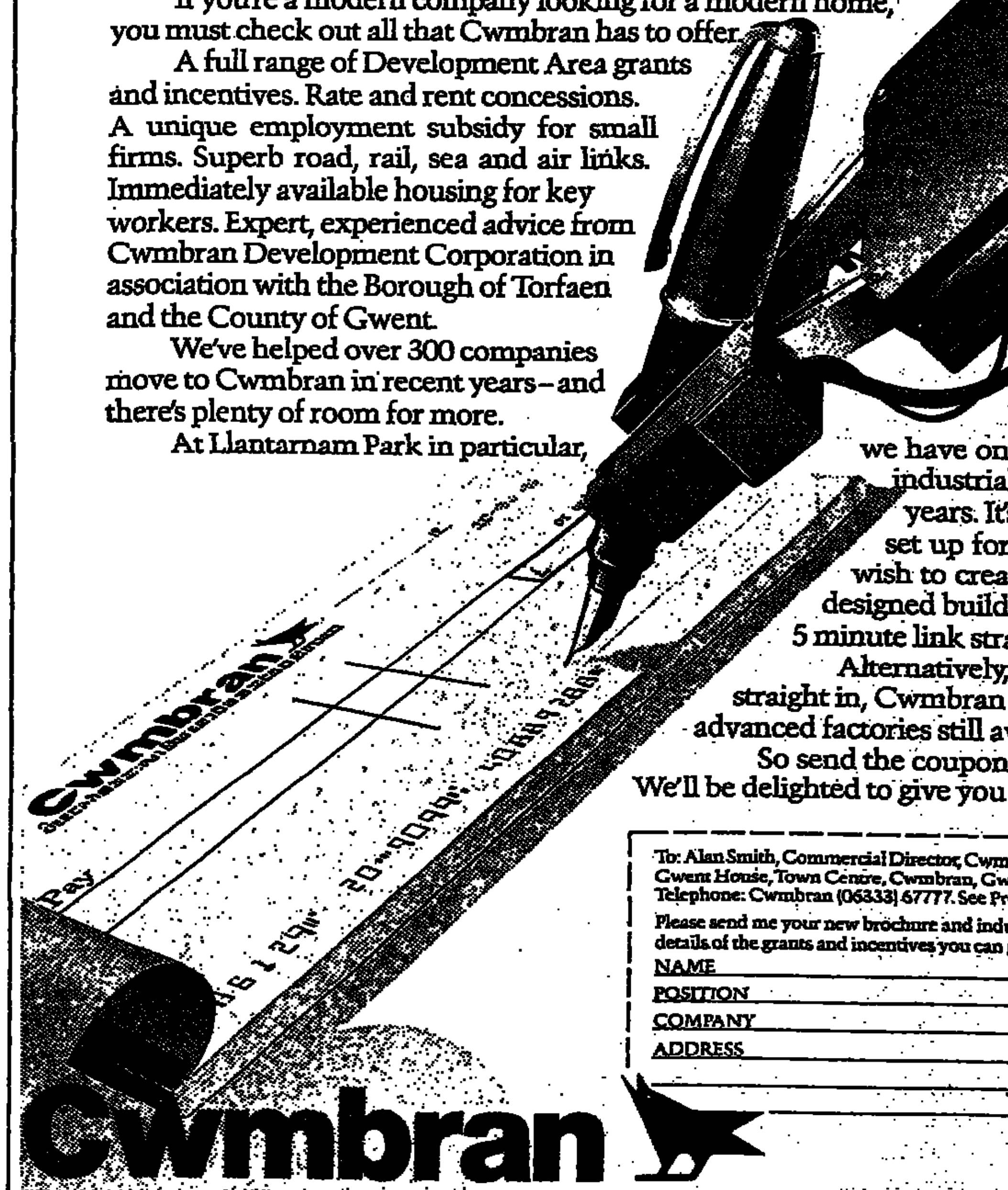
Another annual report just published by KW Consultants is the UK text processing segment of OASIS. Now in its fourth year, OASIS is a market research programme that looks continuously at the office automation environment in Europe.

The report analyses supplying companies with at least 5 per cent of the UK market, and in electronic typewriters for example, the top of the revenue "league table" is virtually as in Europe, although the aggregate market share of Olivetti (28 per cent), Olympia (24 per cent) and Triumph Alder (16 per cent) is rather lower. "Others" account for 32 per cent, of which the leader is the Japanese company Canon, with 9 per cent.

In the UK word processing arena, IBM and ICL shared top place for revenues at 16 per cent each, closely followed by Wang with 15 per cent.

The 8th International Office Automation Equipment Guide costs £40, the OASIS Report on UK Text Processing £300, both from Wharton Publishing, 12 Eton Street, Richmond, Surrey (01-940 7366).

GEOFFREY CHARLISH



SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday March 8 1984

WALL STREET

Volcker portents hit hard

FRESH WARNINGS on the progress of the U.S. economy by Mr Paul Volcker, chairman of the Federal Reserve Board, touched off a heavy fall in the bond market on Wall Street yesterday, driving prices down through support levels and bringing fears of another widespread sell-off in the credit markets, *writes Terry Byland in New York.*

The stock market, unsettled by the fresh rise in yields in the credit markets, fell back on increased selling. This weeks' renewed fall in bond prices has again widened the gap between stock market and bond market yields, thus reducing the attractions of stocks yet further in the eyes of the investment institutions.

The stock market tried to steady at midsession but prices were pushed lower again by renewed selling. At its lowest stage, the Dow average showed a fall of almost 14 points. However, losses were reduced towards the close and a spate of short-covering in the last half hour left the Dow Jones industrial average at 1,143.63, a net 8.90 off. Turnover increased to 90.4m shares. There was no recovery in bonds, however.

Mr Volcker's comment to the U.S. League of Savings Institutions that the economy still looks "very strong" and his reiteration of concern over the budget and trade deficits, reached Wall Street early in the session when only the credit market was open for trading.

Bond prices were already weak at the previous close because of a poor reception for the auction of $2bn in debentures of the Federal National Mortgage Association where yields of 12.1 per cent were returned on five-year issues. A weaker dollar also increased the market's fear of renewed inflation in the U.S.

Bond prices quickly fell by up to three-quarters of a point, with renewed selling in the futures market bringing a fall of more than half a point in the March contract which remains the trading focus until the end of the month.

Once again, it was the traders who were sellers, as they slashed portfolios still laden with Treasury securities for which there are few retail buyers.

In the stock market, it was the blue chip leaders that took most of the losses. Dealers commented that the reduced interest in oil stocks following consummation of the Gulf saga has removed the market's one firm sector.

Selling of equities was renewed as the session progressed, and stocks showing falls exceeded those with gains by about 11-to-3.

A poor lead came from IBM which fell $1⅛ to $107⅞. General Motors dipped $1½ to $66⅞, despite a favourable review of profit prospects in the motor industry by the investment press. General Electric fell $1⅝ to $50⅛. AT&T gained $⅛ to $17⅛, and Monsanto was $⅞ off at $86⅛.

A large block of stock in Imperial Chemical Industries of the UK was sold, and the price finally finished $⅛ up at $44⅝.

In the oil sector, Gulf Oil, which topped the market list of active stocks, fell a further $4½ to $64⅛ as investors abandoned hopes of any further bid development. Texaco also had a busy session, edging ahead by $⅜ to $39⅜, although the move to repurchase the stake held by the Bass brothers seems to reduce the likelihood of a bid.

Superior Oil, the other favourite bid target among the domestic oil groups, gave up $1⅝ to $38⅛. Philips Petroleum managed to add $⅛ to $38⅞.

Losses were widely scattered throughout the range of industrial and consumer stocks. Further consideration of the decision to omit the dividend and cut the workforce took another $½ off Long Island Lighting, which stood at $7⅛.

RCA, the TV operating company, made a delayed start after a board meeting disclosed plans to strengthen takeover defences, and later traded at $30, down $1⅛.

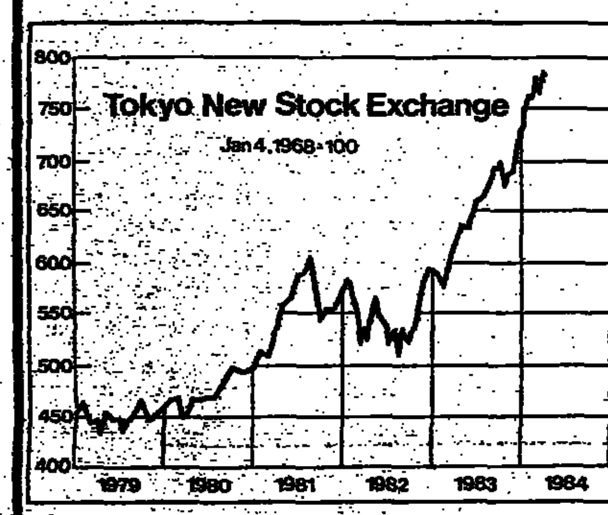
St Regis Paper, the group in which Sir James Goldsmith, the British financier, has a stake, added $2⅞ to $44⅞ after a large block had changed hands at $42½.

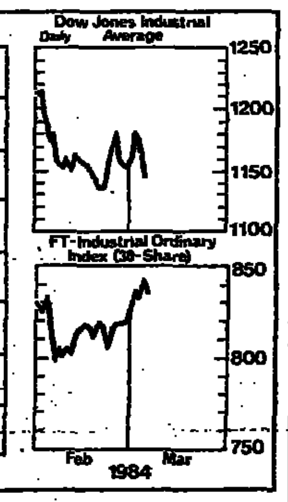
In the credit markets, a modest dip in the federal funds rate to 9⅝ per cent could do nothing to offset the general weakness of the sector. The funds rate remained at this level despite further technical help from the Fed in the form of $1.5bn in customer repurchase arrangements.

The bond market turned sharply downwards as the key long bond plunged through its technical support line of 97¾, and then slumped further to show a fall of 27 basis points at 97¹⁄₃₂, yielding an historic high of 12.32 per cent.

As so often in the recent slide in the market, the fall was signalled by a drop in the futures market where the March contract also pierced support levels, falling 18/32 to 67²⁸⁄₃₂.

KEY MARKET MONITORS





STOCK MARKET INDICES

NEW YORK	March 7	Previous	Year ago
DJ Industrials	1143.63	1152.53	1141.74
DJ Transport	499.18	502.72	508.10
DJ Utilities	126.88	127.94	129.34
S&P Composite	154.57	156.25	153.67
LONDON			
FT Ind Ord	835.40	841.60	664.90
FT-A All-share	500.70	502.55	413.62
FT-A 500	538.75	541.28	447.48
FT-A Ind	494.33	494.78	422.54
FT Gold mines	699.80	702.60	584.60
FT-A Long gilt	10.03	10.09	10.88
TOKYO			
Nikkei-Dow	10021.20	10058.72	8041.16
Tokyo SE	781.86	786.01	592.47
AUSTRALIA			
All Ord.	725.00	735.20	513.40
Metals & Mins.	500.20	510.00	470.40
AUSTRIA			
Credit Aktien	55.45	55.38	50.47
BELGIUM			
Belgian SE	143.68	143.51	108.97
CANADA			
Toronto Composite	2399.8	2423.10	2170.00
Montreal Industrials	425.32	429.39	368.16
Combined	406.83	410.39	360.00
DENMARK			
Copenhagen SE	196.21	195.37	123.15
FRANCE			
CAC Gen	161.70	162.90	108.80
Ind. Tendance	104.00	105.20	67.80
WEST GERMANY			
FAZ-Aktien	346.44	350.21	282.32
Commerzbank	1015.00	1027.20	844.90
HONG KONG			
Hang Seng	1091.44	1091.68	1013.85
ITALY			
Banca Comm.	217.55	219.02	207.24
NETHERLANDS			
ANP-CBS Gen	161.50	160.90	117.50
ANP-CBS Ind	132.70	132.30	102.90
NORWAY			
Oslo SE	253.64	254.90	150.07
SINGAPORE			
Straits Times	1023.17	1017.85	838.46
SOUTH AFRICA			
Golds	1054.9	1059.30	807.20
Industrials	1025.7	1015.10	826.10
SPAIN			
Madrid SE	120.17	120.40	105.24
SWEDEN			
J & P	1500.51	1515.48	1299.34
SWITZERLAND			
Swiss Bank Ind	364.10	365.90	313.40
WORLD	March 6	Prev	Year ago
Capital Int'l	184.00	184.80	165.70

GOLD (per ounce)

	March 7	Prev
London	$399.75	$403.50
Frankfurt	$398.75	$403.00
Zürich	$399.00	$402.50
Paris (fixing)	$401.94	$402.50
Luxembourg (fixing)	$402.75	$397.45
New York (March)	$398.80	$404.50

* Latest available figure

CURRENCIES

(London)	U.S. DOLLAR March 7	U.S. DOLLAR Previous	STERLING March 7	STERLING Previous
$	–	–	1.4685	1.485
DM	2.57175	2.5535	3.775	3.795
Yen	224.425	223.25	329.5	331.75
FFr	7.9225	7.885	11.595	11.705
SwFr	2.1310	2.1095	3.125	3.135
Guilder	2.879	2.887	4.2525	4.29
Lira	1591	1593.5	2347	2365.75
BFr	52.24	52.36	77.1	77.75
C$	1.26025	1.25575	1.8595	1.863

INTEREST RATES

Euro-currencies (3-month offered rate)	March 7	Prev
£	9⁵⁄₁₆	9⁵⁄₁₆
SwFr	3⅜	3½
DM	5⁹⁄₁₆	5⅝
FFr	16⅜	16½
FT London Interbank fixing (offered rate)		
3-month U.S.$	10⅛	10⅛
6-month U.S.$	10⅜	10½
U.S. Fed Funds	9⅝	9¹¹⁄₁₆
U.S. 3-month CDs	9.80	9.80
U.S. 3-month T-bills	9.30	9.255

U.S BONDS

Treasury	March 7* Price	March 7* Yield	Prev Price	Prev Yield
10⅞ 1986	99²⁷⁄₃₂	11.07	99³¹⁄₃₂	10.99
11⅞ 1991	98¹⁹⁄₃₂	12.11	98³¹⁄₃₂	12
11.75 1993	97¹³⁄₃₂	12.21	98⁵⁄₃₂	12.09
12 2013	97¹⁄₃₂	12.32	98¹³⁄₃₂	12.20
Corporate	March 7 Price	March 7 Yield	Prev Price	Prev Yield
AT & T				
10⅜ June 1990	92	12.25	92⅞	12.05
3⅞ July 1990	68½	10.90	68½	10.90
8¾ May 2000	72½	12.80	74⅛	12.50
Xerox				
10⅞ March 1993	90⅞	12.45	91⅛	12.25
Diamond Shamrock				
10⅞ May 1993	88⅞	12.70	91⅛	12.45
Federated Dept Stores				
10⅞ May 2013	82⅞	12.90	84⅞	12.60
Abbot Lab				
11.80 Feb 2013	91⅝	12.90	93	12.70
Alcoa				
12⅛ Dec 2012	92⅛	13.30	94	13.05

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
March	67–28	68–19	67–23	68–15
U.S. Treasury Bills (IMM) $1m points of 100%				
March	90.74	90.81	90.71	90.79
Certificates of Deposit (IMM) $1m points of 100%				
March	90.09	90.19	90.08	90.17
LONDON				
Three-month Eurodollar $1m points of 100%				
March	89.95	90.00	89.94	89.98
20-year Notional Gilt £50,000 32nds of 100%				
March	109–28	110–07	109–27	109–25

COMMODITIES

(London)	March 7	Prev
Silver (spot fixing)	669.35p	676.45p
Copper (cash)	£989.25	£995.25
Coffee (March)	£2187.50	£2197.50
Oil (spot Arabian light)	$28.67	$28.65

TOKYO

Yen rise adds to pressure

INCREASING liquidation pressure sent stock prices down in Tokyo yesterday with leading blue chips pacing the downswing, *writes Shigeo Nishiwaki of Jiji Press.*

Investors were increasingly concerned that the yen's rapid rise against the U.S. dollar would adversely affect blue-chip companies which are heavily dependent on exports.

The overnight fall on Wall Street and the lingering shock of the bankruptcies of J. Osawa and Mamiya Camera, further worsened the climate.

The Nikkei-Dow market average fell 37.52 from the previous day to 10,021.20. Trading volume shrank from 343.8m shares on the preceding day to 289.28m shares, and declining issues outnumbered advances by 467 to 238, with 180 issues unchanged.

Foreign buying remained inactive, contrary to investors' general expectations that the soaring yen would ignite foreign investors' enthusiasm for Japanese stocks with the promise of exchange gains. Investors became increasingly convinced that the yen's upsurge could lower profits of leading blue-chip companies with high export ratios.

Consequently, leading blue chips came under heavy, small-lot selling pressure, with Fujitsu losing Y40 to Y1,350 and Matsushita Electric Industrial Y30 to Y1,810. NEC also declined Y30 to Y1,360 and Canon Y40 to Y1,350.

High-priced blue chips also performed poorly. TDK fell Y130 to Y6,610 and Kyocera dropped Y170 to Y9,830.

Alps Electric and Pioneer Electronic suffered severe setbacks as foreign investors placed morning sell orders involving several hundred thousand shares. Pioneer lost Y150 to Y3,230 and Alps Electric Y190 to Y2,550.

Large-capital steels were also hit, with Nippon Steel and Kawasaki Steel shedding Y3 each to Y168 and Y177 respectively.

Rumours of Riccar's financial difficulty persisted despite the company's denial the previous day. Riccar lost Y42 at one stage and closed the day at Y170, down Y27.

Buying interest shifted to non-ferrous metals and other issues likely to attract speculators, while leading blue chips remained dull throughout the day.

Issues which will not be affected by the yen's movement also moved up, with Takara Shuzo advancing Y17 to Y514, Kyowa Hakko Y27 to Y923 and Sumitomo Bakelite Y10 to Y625. Paper pulps attracted buy orders.

Bond yields declined for lack of selling activity, although there were a few buy orders. The yield on 6.1 per cent medium-term government bonds, maturing in May 1988, fell from 6.90 per cent on the previous day to 6.80 per cent. The yield on 7.5 per cent government bonds, due in January 1993, dropped from 7.295 per cent to 7.265 per cent.

LONDON

Discreet silence takes toll

THE DISCREET silence maintained in London by the three remaining large retail banks which did not cut their base rates yesterday, took its toll on leading equities. An early fall on Wall Street then distracted investors further, and the FT Industrial Ordinary index dropped 6.2 to 835.4, while the FT-SE 100 index lost 8.9 to 1,055.6. ICI, a U.S. favourite, fell 16p to 576p largely on American selling.

Few gilts finished the day higher, with the exception of some currently popular stocks in the 1994/97 area. Index-linked issues remained out of favour and sustained losses ranging to ½.

Details, Page 39; Share information service, Pages 40–41.

AUSTRALIA

A STRONGER Australian dollar, higher domestic interest rates and a weaker overnight Wall Street combined to push Sydney shares sharply lower yesterday. The All Ordinaries index closed 10.2 down at 725.0.

Improved profit performances from some leading groups failed to stem the overall decline. Santos, with profits 80 per cent higher, slumped 16 cents to A$7.18, while Woodside Petroleum fell 3 cents to 91 cents despite profits almost trebling and its associated Vamgas profits 78 per cent higher shed 10 cents to A$3.10. Brewer Castlemaine Tooheys lost 18 cents to A$4 after reporting a 13 per cent rise in six-month earnings.

HONG KONG

EARLY GAINS in Hong Kong were largely erased yesterday as the Hang Seng index, up almost 7 points in the first hour, finished 0.24 down at 1,091.44. Turnover for the regular, half-day session was modest at HK$147.73m.

The market, according to local brokers, appeared to lack direction prior to the next round of Sino-British talks on March 16, although the customary caution was evident.

Small investors were reportedly waiting for results from many corporate names before committing funds. The recent share issues by local industrial and manufacturing groups have focused some attention on this area.

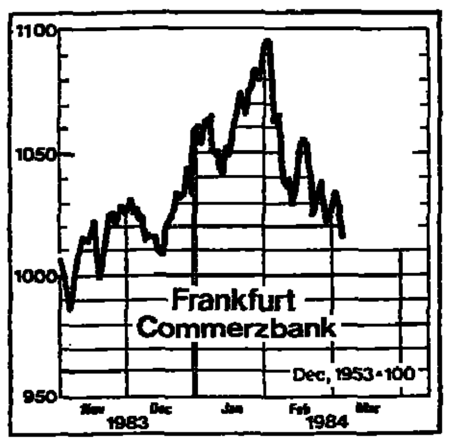
Many institutional investors who want to expand their portfolios away from the relatively depressed finance and property sectors, are eagerly awaiting the dozen other industrial/manufacturing share issues planned this year.

SINGAPORE

MOST MAJOR sectors in Singapore were mixed in sluggish trading, although the Straits Times index secured a 5.32 gain to 1023.17 by the close.

Inchcape was unchanged at S$2.88 as the group reported 1983 profits 74 per cent lower, largely from the sale of assets to Bumiputras – native Malaysians – below asset value to comply with government policy.

Malay Banking managed to hold a 5 cent rise to S$9.95, while elsewhere, above average activity was evident in tins.



EUROPE

Uncertainty continues to undermine

THE UNCERTAINTIES that have afflicted most European centres in recent days continued to undermine share values yesterday, and even Belgium gave up the independent advance that had marked it out during the previous two sessions.

A further decline in **Frankfurt** took shares back to the levels seen in mid-December, wiping out the strong gains which culminated in January's record highs.

The Commerzbank index shed 12.2 to 1,015.0 in very thin turnover, amid concern over the currency and interest rate outlook and the latest Wall Street decline.

In its latest market report, Westdeutsche Landesbank Girozentrale adds that concern about possible strikes by trades unions over their claim for a 35-hour working week, has also taken a toll on sentiment.

Some of the largest declines were seen among blue-chip issues which made the strongest advances in January.

Deutsche Bank dropped DM 8.50 to DM 375 while Commerzbank dipped DM 4.30 to DM 178.20 and Dresdner DM 2.60 to DM 174.70.

Motor manufacturers featured Daimler down DM 9 to DM 566 and BMW DM 6.80 lower at DM 408, while VW lost DM 4.20 to DM 207 and tyremaker Conti Gummi DM 2.20 at DM 130.50.

AEG shed DM 2.30 to DM 101.80 following the announcement that Thompson, the French nationalised electronics and defence group, is to take over its remaining 25 per cent stake in Telefunken.

Bonds ended mixed to lower amid signs of a firmer dollar, while the Bundesbank sold DM 50.8m of paper to balance the market compared with sales totalling DM 24m in the previous session.

A hesitant mood emerged in **Brussels**, with the Belgian SE index 0.17 ahead at 143.68 but the all-share index, which includes foreign issues, down 2.24 at 356.27.

In the industrial sector, Solvay rose BFr 10 to BFr 3,790, but UCB fell back BFr 10 to BFr 4,700. Metals group Hoboken shed BFr 40 to BFr 5,000.

After their strong advance on Tuesday, utilities turned in a generally flat performance, although Electrobel managed a BFr 140 advance to BFr 5,990.

Amsterdam was mixed with trading again quiet under the influence of the early spring holiday week. Marginal increases were posted by the market's major indices, with corporate results providing the major focus.

Retail group Ahold added Fl 3.50 to Fl 218.50 ahead of the announcement of its improved 1983 figures, while Unilever shed Fl 1 to Fl 251 in response to the higher profit figure announced on Tuesday.

In the bond market, prices firmed in brisk trading on foreign as well as domestic buying.

Shares eased further in **Zurich** in light trading, with foreign investors among the bigger sellers of the day.

Banks and insurances were clearly weaker, with Credit Suisse down SwFr 30 to SwFr 2,320 and Union Bank of Switzerland losing SwFr 20 to SwFr 3,525.

Among other industrials, Ciba-Geigy and Jacobs Suchard each eased SwFr 50 to SwFr 2,205 and SwFr 6,525, while Sandoz fell SwFr 150 to SwFr 6,800.

Bonds closed firm in lacklustre trading with a lack of new direction.

Most sectors posted losses in a very quiet **Paris**, although chemicals were irregular.

Among the largest declines were Michelin down FFr 14 to FFr 885, Club Mediterranee, FFr 18 to FFr 819, and Radiotechnique FFr 10 to FFr 369.

Elsewhere, Poclain, which announced a reduced loss for 1983, shed FFr 1 to FFr 55.

Against the trend, Roussel-Uclaf gained FFr 19 to FFr 804.

A start to end of month book squaring left a surfeit of shares for sale in **Milan.**

Pirelli, the tyres and cables group which announced that its Italian business plunged deeper into loss last year, shed L75 to L1,605.

In **Stockholm**, shares in Sonesson and Gambro were suspended at the request of both companies, ahead of the announcement that Sonesson is to take a stake in the medical-technical company.

Elsewhere, the forestry group SCA fell SKr 10 to SKr 161, despite posting record profits.

Shares edged lower in **Madrid** in quiet trading, with declines outnumbering gains for the first time in 20 days.

SOUTH AFRICA

THE FIRM bullion price moved gold shares higher in Johannesburg yesterday, despite a hesitant start.

Anglo American Gold improved 25 cents to R156, while elsewhere, Buffels scored a R1.50 rise to R81.50, although Free State Geduld shed 50 cents to R55. De Beers was unchanged at R10.65.

Industrials sustained their recent upward trend, with Barlow Rand 15 cents firmer at R14.35, although trading was relatively quiet.

CANADA

CONCERN about U.S. monetary policy spilled over into Toronto yesterday, with all major sectors succumbing to the pressure as declines outnumbered advances by a margin of two-to-one.

Montreal was less nervous, but utilities and industrials nevertheless moved sharply lower, while banks and papers also displayed persistent weakness.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20¾	10	AAR	.44	2.3	24	213	19¾	19½	19½	-⅛
52⅝	30½	ACF	1.40	3.0	583	377	46¾	46½	46⅝	-⅛
22	17⅛	AMCA	n 1	6.0		2	17	d16⅝	16⅝	-⅜
18⅝	14⅛	AMF	.50	3.5		114	14¼	14⅛	14⅛	
41¼	23⅜	AMR Cp			6	4113	30¼	29¾	30⅛	-⅛
20⅝	16⅞	AMR	pf2.18	11.		209	19¼	18⅞	19¼	+⅛
41½	27⅞	AMR	pf2.13	6.5		70	32¾	32⅜	32⅜	-½
26¾	23⅞	ANR	pf2.67	11.		276	24⅝	24½	24⅝	
23⅞	19½	ANR	pf2.12	9.9		259	21⅜	21¼	21⅜	+⅛
16⅛	5⅞	APL			3	7	11	11	11	+⅛
55¼	40¼	ARA	2.05	4.8	9	102	43¼	42¾	43	-½
77¼	50¼	ASA	3a	4.4		998	68⅝	67½	68⅝	-⅜
33¼	14⅝	AVX	s .32	1.4	23	150	22⅝	22¼	22⅜	-¼
53⅜	39⅝	AbtLab	1	2.5	14	2892	41	40½	40¾	+½
30¾	23¼	AcctoW	n .60	2.3	18	58	26½	26¼	26¼	-½
27½	17⅛	AcmeC	.40	1.9		513	22	21½	21½	-⅝
13	6⅝	AcmeE	.32b	3.0	68	54	10¾	10	10½	+¼
24⅞	11½	AdmDg	.04	.3	12	21	15	14⅞	15	-⅛
18¾	15⅞	AdaEx	2.11e	13.		55	15⅞	15⅝	15¾	
18¾	7⅞	AdmMl	.28	1.6	9	68	18	17⅞	17⅞	
22	12¾	AdvSys			16	164	15¾	15⅝	15⅝	-¼
18⅝	8⅞	Advest	.12	1.1	9	63	11	10⅝	10⅝	-½
37½	15½	AMD	s		33	5394	27¼	26⅜	27⅛	-⅞
24⅝	12½	Aerflx	s		14	61	14⅝	14½	14½	-⅛
43½	33¼	AetnLf	2.64	7.4	11	2436	35⅞	34⅝	35½	+⅛
62¼	56¼	AetL	pf5.28e	9.2		189	57⅛	56¾	57⅛	+⅛
40½	20	Ahmns	1.20	5.4	6	625	22⅞	21⅞	22¼	
7⅞	3	Aileen				434	4⅞	4⅝	4⅞	

Continued on Page 37

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued on Page 38

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 36

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
54¼	49	WCNA	pf7.25	14.		7	51½	51½	51½	+ ⅛
86¼	62½	WPacI			6	6	85½	85½	85½	
47⅞	27½	WUnion	1.40	5.2		1201	27½	d26½	26¾	−1
10	8⅞	WUn	dpf1.18	13.		17	9⅛	9⅛	9¼	− ⅛
22½	18⅝	WUTI	pf2.56	13.		8	19⅜	19⅜	19⅜	+ ⅛
56¼	40⅞	WestgE	1.80	4.0	9	1647	45⅞	44½	44¾	− ½
42	29½	Westvc	1.20	3.4	13	558	35½	34⅞	35½	+ ⅜
41⅞	28½	Weyerh	1.30	4.3	22	3580	30⅜	29⅞	30⅜	
52¾	39	Weyr	pf2.80	6.8		21	41¼	41	41	
57¼	46¾	Weyr	pr4.50	9.1		17	49⅝	49	49½	− ⅛
35⅝	17⅝	WhelPit				3	29¾	29½	29¾	

Continued on Page 38

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E-price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

(Closing Prices) Stock	Mar 7	Vars.
AMCA Int.	20¾	-½
Abitibi	25¼	-
Agnico Eagle	19½	-⅝
Alberta Energy	18⅞	-
Alcan Alumin	41½	-⅝
Algoma Steel	28⅜	-⅛
Bk Montreal	26½	-⅜
Bk Nova Scotia	13⅛	-⅛
Bell Canada	31¼	-¼
Bombardier A	17⅜	-
Bow Valley	24⅜	-⅜
B.P Canada Res	-	-
Brascan A	38⅞	-⅛
Brinco	2.5	
B. C. Forest	11⅞	-½
CIL Inc	29⅛	-⅛
Cadillac Fairv.	11½	-⅛
Campbell Red Lk	-	-
Can Cement Prf	14⅞	-⅛
Can NW Energy	31¼	+⅛
Can Packers	26½	-
Can Trustco	47⅝	-⅛
Can Imp Bank	29⅝	-⅛
Canadian Pacific	44⅝	-⅞
Can. P. Ent.	21⅛	-⅛
Can Tire A	11⅞	-
Carling O'Kfe	20⅞	-⅛
Chieftain	18½	-⅛
Cominco	54⅝	-⅜
Cons Bathst A	28¾	-¼
Copper Lake	3.15	+ 0.05
Costain	10¼	-
Denison Mines A	-	-
Dofasco	18½	-⅜
Dome Mines	20⅜	-⅜
Dome Petroleum	4.1	-
Dominion Strs.	15¼	-¼
Domtar	32¾	-
Falconbridge	84½	-1½
Genstar	24¾	-⅜
Giant Y'knife	26½	-⅛
Gt West Life	300	-
Gulf Canada	18½	+⅛
Hawk Sid Can	17⅛	-⅛
Hudson's Bay	22⅛	-⅛
Husky Oil	10½	-⅛
Imasco	34⅜	+⅜
Imp Oil A	37⅛	-
Inco	17⅛	-⅛
Indal	11⅝	-⅛
Interpr Pipe	29	-⅛
LAC Minerals	35	-1
Loblaw	-	-
Macmil Bloedel	31	-½
Marks & Spencer	14	-
Massey-Ferg	4.6	- 0.05
McIntyre Mines	39	-1¼
Mitel Corp	13¾	-⅛
Molson A	19¼	-⅛
Moore Corp	47⅛	-⅜
Nat. Sea Prods A	8	-
Noranda Mines	22¾	-1
Norcesn Energy	17	-⅛
Numac Oil	12⅜	-⅛
Nova Alberta	6⅛	-⅛
Nthn Telecom	43⅞	-⅛
Oakwood Pet	8⅛	+⅜
Pancanadian Pet	23⅞	+⅜
Patino	9⅝	+⅛
Placer Dev	22⅛	-⅜
Power Corp Can	18	-⅛
Quebec Sturgeon	8⅞	-⅜
Ranger Oil	10¾	-⅜
Reed Stenhse A	12½	-½
Rio Algom	17⅝	-⅜
Royal Bank	32⅞	+⅛
Royal Trustco A	26⅝	-⅜
Sceptre Res	5.13	-
Seagram	43⅝	-⅜
Shell Can Oil	25¾	-
Simpson Sears A	8⅞	-⅛
Stelco	27⅛	-⅛
Teck B	10	-⅜
Texaco (Canada)	38⅛	-⅛
Thomson News A	38¾	-⅛
Toronto Dom Bank	16⅛	-
Transalta A	21¾	-⅛
Trans. Can. Pipe	16¼	-⅜
Walker Hiram	25	-½
Westcoast Trans	14⅝	-
Weston (Geo)	86⅝	-⅞

AUSTRIA

Mar. 7	Price Sch%	+ or —
Creditanstalt	314	—1
Goesser	328	....
Interunfall	405	....
Laenderbank	214	....
Perlmooser	336	+5
Steyr-Daimler	165	....
Veitscher Mag	210	—1

BELGIUM/LUXEMBOURG

Mar. 7	Price Frs.	+ or —
ARBED	1,458	....
Banq Int A Lux	5,200	....
Bekaert B.	3,540	+30
Ciment CBR	2,140	—15
Cockerill	220	—5
Delhaize	5,000	....
EBES	2,400	—20
Electrobel	5,990	+140
Fabrique Nat	2,270	+80
GB Inno BM	3,260	....
GBL (Brux)	2,425	....
Gevaert	3,090	+40
Hoboken	5,000	—40
Intercom	1,890	—10
Kredietbank	6,900	....
Pan Hldgs.	9,500	....
Petrofina	7,220	—110
Royale Belge	7,780	+380
Soc. Gen. Banq	3,145	—10
Soc. Gen. Belge	1,790	—15
Sofina	5,710	....
Solvay	3,790	+10
Tractionel	3,215	+15
UCB	4,700	—10
Vieille Mont	3,950	....

DENMARK

Mar. 7	Price Knr %	+ or —
Aarhus Olie	405	+25
Andelsbanken	250	+5
Baltic Skand	635	+10
CopHandelsbank	258	+7
D. Sukkerfab	655	—5
Danske Bank	287	+3
East Asiatic	199	....
Forenede Brygg.	885	....
Forenede Damp.	194	+5
GNT Hldg.	570	....
I.S.S.B.	675	+5
Jyske Bank	590	+30
Novo Ind	2,635	....
Privatbanken	289	+9
Provinsbanken	318	+4
Smidth (F).	249	+5
Sophus Berend.	1,195	+55
Superfos	525	+10

FRANCE

Mar. 7	Price Frs.	+ or —
Emprunt 4½% 1973	1,963	—36
Emprunt 7% 1973	8,997	—23
CNE 3%	3,495	—25
Air Liquide	525	+1
BIC	388	—7
Bouygues	677	—21
BSN Gervais	2,491	—29
CIT-Alcatel	1,531	+10
Carrefour	1,319	—24
Club Mediter'n	819	—18
CFAO	545	—6
Cie Bancaire	449.5	—14.5
Cofimeg	221.4	+3.4
Creusot Loire	45.5	—1
Darty	849	—15
Dumez S.A.	770	—5
Eaux (Cie Gen)	611	—7
Elf-Aquitaine	216.6	—8.4
Gen. Occidentale	537	—8
Imetal	75.6	—0.4
Lafarge Coppee.	321.9	—3.3
L'Oreal	2,176	—35
Legrand	1,985	—75
Maisons Phenix	277.8	+7.3
Matra S.A.	1,526	—48
Michelin B.	885	—14
Midi (Cie)	1,400	—10
Moet-Hennessy	1,418	—3
Moulinex	91.2	—3.8
Nord Est	49.3	+0.1
Pernod Ricard	688	—8
Perrier	525	—3
Petroles Fra.	210.1	—8.9
Peugeot S.A.	227.5	—3.5
Poclain	55	—1
Printemps Au	141	+1.1
Radiotech	369	—10
Redoute	1,098	+15
Roussel-Uclaf	804	+19
Schneider S.A.	119.5	+0.3
Sefimeg	246.2	....
Skis Rossignol	1,335	—18
Telemech Elect.	1,640	—20
Thompson (CSF)	512	—2
Valeo	385	—10

GERMANY

Mar. 7	Price Dm.	+ or —
AEG-Telef	101.8	—2.3
Allianz Vers.	760	—9
BASF	161	—3.6
Bayer	163.8	—3.5
Bayer-Hypo	268	—2.5
Bayer-Verein	336	—1
BHF-Bank	282	—4
BMW	408	—6.8
Brown Boveri	218.5	—5
Commerzbank	178.2	—4.3
Cont'l. Gummi	130.5	—2.2
Daimler-Benz	566	—9
Degussa	380	—5
Demag	146	....
D'sche Babcoc	160.5	—4.5
Deutsche Bank	375	—8.5
Dresdner Bankk.	174.7	—3.6
GHH	146	—2.5
Hochtief	500	....
Hoechst	175	—2.1
Hoesch Werke	115	—2.5
Holzmann (P)	435	—4
Horten	194.5	—1.5
Kali und Salz	193	—4.5
Karstadt	250	—5.5
Kaufhof	237	—2
KHD	240.6	—7.5
Kloeckner	64.2	—1.9
Krupp	81	—1
Linde	369.5	—3.3
Lufthansa	164	—4
MAN	144	—0.5
Mannesmann	139	—3
Mercedes Hld.	508	—5
Metallgesell	237	—5.5
Muench Rueck	1,122	—38
Preussag	265.8	—2.2
Rhein West Elect	164.1	—1.4
Rosenthal	269	—3
Schering	336	—1
Siemens	393.7	—6.3
Thyssen	84.5	—1.8
Varta	180	—0.2
Veba	173.5	—3.5
V.E.W	120.3	—1.6
Verein-West.	305	—18
Volkswagen	207	—4.2

ITALY

Mar. 7	Price Lire	+ or —
Banca Com'le.	34,650	—150
Bastogi IRBS	150	—1
Centrale	1,698	—7
Credito Varesino	5,149	+34
Fiat	4,294	—16
Finsider	40.6	+0.6
Generali Assicur	37,300	—200
Invest	3,290	—10
Italcementi	47,100	—500
Montedison	221	—3.2
Olivetti	4,330	—20
Pirelli Co	2,900	—308
Pirelli Spa	1,605	—75
Snia BPD	1,543	—13
Toro Assic.	13,200	—250
do. Pref.	9,980	—170

NETHERLANDS

Mar. 7	Price Fls	+ or —
ACF Holding	183	+3
AEGON	129	+1
Ahold	218.5	+3.5
AKZO	104.1	—0.6
ABN	392.5	—3.5
AMEV	155.5	—0.5
AMRO	73.5	—0.5
Bredero Cert	196.2	—1.8
Bos Kalis Westm.	48.7	—0.5
Buehrmann-Tet.	68	+1
Calland Hldgs.	57.5	+0.2
Credit Lyon'is Bk	54	—1.2
Elsevier-NDU	540	+10
Gist. Brocades	146	+0.8
Heineken	139	—1.5
Hoogovens	48	—1
Hunter Douglas	23.6	—0.1
Int Mueller	35.4	—0.1
KLM	174.5	+0.5
Naarden	42.6	....
Nat Ned Cert	220	+1.5
Ned. Credit Bank	39.3	+0.3
Ned Mid Bank.	164	+3.6
Nedlloyd	112	....
Oce Grinten.	243	+2
Ommeren (Van.)	29.5	—0.2
Pakhoed	65.8	—1.1
Philips	46.6	+0.4
Rijn-Schelde	4.1	....
Robeco	327.5	—1.5
Rodamco	132.3	+0.3
Rolinco	311	—2.5
Rorento	208.4	—0.6
Royal Dutch	149.2	—3.8
Unilever	251	—1
VMF Stork	89	....
VNU	153.2	—0.3
West Utr Bank	100.5	+6.5

NORWAY

Mar. 7	Price Kroner	+ or —
Bergens Bank	157	+1.5
Borregaard	292.5	—2.5
Christiania Bk.	157.5	....
Den Norsk Credit	166	—3
Elkem	158	—1
Norsk Data	272	—3
Norsk Hydro	600	—7
Storebrand	220	—1

SPAIN

Mar. 7	Price Pta%	+ or —
Bco Bilbao	291	....
Bco Central	334	—2
Bco Exterior	208	....
Bco Hispano	246	—3
Bco Santander	301	+2
Bco Vizcaya	387	+2
Dragados	148	—1
Hidrola	54.5	—0.2
Iberduero	57.2	—1
Petroleos	111	—1
Telefonica	81	....

SWEDEN

Mar. 7	Price Kronor	+ or —
AGA	375	....
Alfa-Laval	260	—2
ASEA (Free)	377	+2
Astra (Free)	555	—5
Atlas Copco	126	....
Boliden	406	—12
Cardo (Free)	526	—5
Cellulosa	161	—9
Electrolux B	270	—3
Ericsson	360	—4
Esselte	340	—4
Mo Och Domsjo	425	—2
Pharmacia	280	—12
Saab-Scania	360	—9
Sandvik	352	—3
Skandia	405	—1
Skan Enskilda	345	—9
SKF	190	—4
St. Kopparbergs	720	—17
Sven Handelsbn.	221	+1
Swedish Match	271	—2
Volvo B (Free)	443	—6

SWITZERLAND

Mar. 7	Price Frs.	+ or —
Alusuisse	830	—6
Bank Leu	4,300	—30
Brown Boveri	1,430	....
Ciba Geigy	2,205	—50
do. (Part Certs)	1,720	—20
Credit Suisse	2,320	—30
Elektrowatt	2,700	—10
Fischer (Geo.)	660	+5
Genevoise	3,750	....
Hoff-Roche PtCts	100,000	—625
Hoff-Roche 1/10	10,000	—50
Jacobs Suchard	6,525	—50
Jelmoli	1,775	....
Landis & Gyr	1,340	—20
Nestle	4,780	—10
Oer-Buehrle	1,305	—5
Pirelli	252	+2
Sandoz (Br)	6,800	—150
Sandoz (PtCts)	1,010	—5
Schindler (PtCts)	550	+5
Swissair	1,030	—10
Swiss Bank	345	—1
Swiss Reinsce	7,875	—25
Swiss Volksbk	1,480	....
Union Bank	3,525	—20
Winterthur	2,950	....
Zurich Ins	17,700	—150

AUSTRALIA

Mar. 7	Price Aust $	+ or —
ANZ Group	5.52	—0.04
Acrow Aust.	1.6	....
Alliance Oil D.	0.83	+0.01
Ampol Pet	1.78	+0.02
Aust Cons Ind	1.78	—0.02
Aust. Guarant	2.7	....
Aust. Nat. Inds	2.48	+0.05
Aust. Paper	2.02	—0.13
Bell Group	5.9	....
Bond Corp Hldgs	1.52	....
Boral	3.3	+0.01
B'ville Copper	2.51	+0.01
Brambles Inds	2.8	—0.05
Bridge Oil	3.26	....
BHP	13.05xr	—0.15
CRA	5.26	—0.06
CSR	3.58	—0.12
Carlton Utd	3.83	....
Castlemaine Tys.	4	—0.16
Coles (G.J.)	3.67	—0.05
Comalco "A"	2.95	....
Consolidated Pet	1.1	....
Costain Aust.	1.25	....
Dunlop Aust.	1.53	—0.02
E.Z. Inds.	5	—0.1
Elders IXL	4.1	....
Energy Res.	1.51	+0.01
Gen Prop Trust	1.83	—0.06
Hardie (J.)	3.28	—0.02
Hartogen Energy	2.9	+0.05
HeraldW'y Times	3.1	....
ICI Aust	1.9	—0.07
Jimb'lana/50cFP	0.58	....
Kia Ora Gold	0.18	—0.01
Lend Lease	4.55	—0.1
MIM	3.25	—0.17
Mayne Nickless	2.4	....
Meekatharra	0.8	....
Myer Emp	1.8	—0.05
Nat. Com. Bk.	3.5	....
News	11.6	—0.05
Nicholas Kiwi	2.98	—0.02
North Bkn Hill	2.7	....
Oakbridge	0.88	—0.02
Otter Expl	0.75	+0.05
Pancont'l	1.16	+0.01
Pioneer Conc	1.58	—0.05
Reckitt & Coln	2.65	—0.01
Repco	1.13	—0.05
Santos	7.18	—0.16
Smith (H.)	3.85	—0.1
Southland Min'g.	0.33	....
Spargos Expl	0.44	+0.02
Thos. Natwide	1.95	—0.05
Tooth	5.	....
UMAL Cons	3.55	—0.05
Vamgas	3.1	—0.1
Western Mining	4	—0.12
Westpac	3.5	—0.2
Woodside Petrol.	0.91	—0.03
Woolworths	2.38	—0.07
Wormald Intl	3.27	—0.06

HONG KONG

Mar. 7	Price H.K.$	+ or —
Bank East Asia	29.6	....
Cheung Kong	9.4	+0.05
China Light	12.6	—0.1
Hang Lung Devel	2.15	....
Hang Seng Bank	46.25	—0.25
HK Electric	6.95	+0.1
HK Kowloon Wh.	4.4	....
HK Land	3.87	....
HK Shanghai Bk.	9	+0.05
HK Telephone	45.5	....
Hutchison Wpa	16.9	—0.2
Jardine Math	12.8	....
New World Dev.	3.5	—0.05
Orient O'seas	2.62	....
O'seas Trust Bk.	3.52	+0.07
SHK Props	7.1	—0.05
Swire Pac A	17.6	—0.2
Wheel'k Mard A.	5.75	+0.05
Wheel'k M'time	2.00	....
World Int. Hldgs	2.45	....

JAPAN

Mar. 7	Price Yen	+ or —
Ajinomoto	991	—4
Alps Electric	2,550	—190
Amada	1,300	—80
Asahi Chem	418	—1
Asahi Glass	706	—3
Bridgestone	880	+15
Canon	1,380	—40
Casio Comp.	1,460	—60
Chugai Pharm	1,060	+10
Citizen	649	+9
Daiei	680	—1
Dai Nippon Ptg	997	—3
Daiwa House	509	—1
Ebara	328	+2
Eisai	1,240	+10
Fanuc	11,900	—290
Fuji Bank	815	—5
Fuji Film	2,090	—20
Fujisawa	791	—5
Fujitsu	1,350	—40
Green Cross	1,520	—30
Hasegawa	383	—2
Heiwa Real Est.	608	—3
Hitachi	850	—5
Hitachi Credit	1,810	—10
Honda	1,010	—20
House Food	791	+1
Hoya	1,760	—30
Itoh (C)	285	....
Ito-Yokado	1,890	—30
Iwatsu	2,300	—10
JACCS	384	+10
JAL	3,060	—90
Jusco	810	....
Kajima	290	—1
Kao Soap	695	—4
Kashiyama	590	—26
Kirin	557	+10
Kokuyo	1,150	+30
Komatsu	467	—21

JAPAN (continued)

Mar. 7	Price Yen	+ or —
Konishiroku	647	....
Kubota	319	....
Kumagai	425	....
Kyoto Ceramic	9,830	—170
Maeda Const.	480	—2
Makino Milling	1,490	—20
Makita	1,120	....
Marubeni	268	—3
Marudai	652	+2
Marui	1,180	....
MEI	1,810	—30
M'ta Elec Works	676	....
M'bishi Bank	810	....
M'bishi Corp	518	....
M'bishi Elec	398	—1
M'bishi Estate	463	+1
MHI	240	....
Mitsui Co	336	....
Mitsui Estate	730	+8
Mitsukoshi	356	....
NGK Insulators	714	—10
Nihon Cement	208	—13
Nippon Denso	1,500	—30
Nippon Elect	1,360	—30
Nippon Express	292	—1
Nippon Gakki	648	+21
Nippon Kokan	140	....
Nippon Oil	1,120	+40
Nippon Seiko	595	+5
Nippon Shimpan	770	+26
Nippon Steel	168	—3
Nippon Suisan	309	—2
NTV	10,300	—700
Nippon Yusen	237	—1
Nissan Motor	722	—4
Nisshin Flour	470	—7
Nisshin Steel	181	+1
Nomura	729	—5
Olympus	925	—28
Omron Tateisi	1,980	....
Orient Leasing	3,850	—90
Pioneer	3,230	—150
Renown	647	—3
Ricoh	1,020	—10
Sankyo	666	+1
Sanyo Elect.	515	—5
Sapporo	403	+13
Sekisui Prefab	659	—16
Seven-Eleven	7,840	+240
Sharp	1,260	—30
Shimadzu	685	....
Shionogi	700	....
Shiseido	1,000	....
Sony	3,360	—50
Stanley	735	—24
S'tomo Elect	876	—9
S'tomo Marine	294	—5
S'tomo Metal	155	—2
Taihei Dengyo	496	....
Taisei Corp	216	+2
Taisho Pharm	931	+6
Takeda	702	—4
TDK	6,610	—130
Teijin	380	....
Teikoku Oil	700	+12
Tokyo Marine	535	—2
TBS	715	—11
Tokyo Elect Pwr.	1,310	—20
Tokyo Gas	178	....
Tokyo Sanyo	700	....
Tokyo Style	851	—2
Tokyu Corp	332	—4
Toppan Print	717	+7
Toray	396	+1
Toshiba Elect.	388	+4
TOTO	560	....
Toyo Seikan	705	—9
Toyota Motor	1,270	—20
Victor	3,190	—90
Wacoal	759	—1
Yamaha	553	—6
Yamanouchi	1,290	....
Yamazaki	742	—22
Yasuda Fire	257	+1
Yokogawa Bdge.	417	+1

SINGAPORE

Mar. 7	Price $	+ or —
Boustead Hldgs.	2.8	—0.01
Cold Storage	4.66	....
DBS	10.0	....
Fraser & Neave	6.38	....
Genting	5.65	—0.05
Haw Par. Bros	2.74	....
Inchcape Bhd.	2.88	....
Keppel Shipyard	3.40	....
Malay Banking	9.95	+0.05
Malay Brew.	7.00	....
Multi Purpose	2	+0.05
OCBC	11.1	—0.1
OUB	4.58	—0.02
Sime Darby	2.59	+0.01
Straits St'mship.	1.72	....
Straits Trdg.	5.8	....
UOB	5.7	....

SOUTH AFRICA

Mar. 7	Price Rand	+ or —
Abercom	2.85	....
AE & Cl	8.6	—0.15
Anglo Am Coal	26.5	....
Anglo Am Corp.	23.65	....
Anglo Am Gold	156	+0.25
Barclays Bank	20	+0.05
Barlow Rand	14.35	+0.15
Buffels	88.5	+1.5
CNA Gallo	2.6	....
Currie Finance	5.1	....
De Beers	10.65	....
Driefontein	48.25	+0.25
FS Geduld	55	—0.5
Gold Fields S.A.	32.75	....
Highveld Steel	6.0	—0.1
Nedbank	15.8	+0.05
OK Bazaars	18.6	+0.2
Protea Hldgs	3.55	....
Rembrandt	26	+0.2
Rennies	15.15	+0.10
Rust. Plat	15.25	+0.15
Sage Hldgs	6.9	+0.15
SA Brews	7.65	....
Smith (C.G)	23.5	....
Tongaat Huletts.	11.5	....
Unisec	5.5	+0.1

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

OVER-THE-COUNTER Nasdaq National Market closing prices

Continued on Page 46

AMERICAN STOCK EXCHANGE CLOSING PRICES

12 Month High Low Stock Div. Yld. P/E Sls 100s High Low Close Quote Ch'ge Prev. Close

Continued from Page 37

NEW YORK CLOSING PRICES

12 Month High Low Stock Div. Yld. P/E Sls 100s High Low Close Quote Ch'ge Prev. Close

Continued from Page 37

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

MONTREAL

TORONTO

N.Y.S.E. ALL COMMON

RISES AND FALLS

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

LONDON STOCK EXCHANGE

MARKET REPORT

Cheaper money optimism gives way late to Wall St trend and equities close lower

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Feb 27	Mar 8	Mar 9	Mar 19
Mar 12	Mar 22	Mar 23	Apr 2
Mar 26	Apr 5	Apr 6	Apr 16

* "New-time" dealings may take place from 9.30 am two business days earlier.

Cheaper money optimism faded late as U.S. influences took hold in London stock markets which awaited other clearing banks to follow Barclays' lead in cutting base lending rates. The Bank of England lowered short-term money market dealing rates early yesterday and the Bank of Scotland later followed Barclays' example by reducing its rate by ½ to 8½ per cent, but the remaining big three clearers maintained a discreet silence.

Early indications were that Government securities and equities would extend Tuesday's late upsurge which took the FT Industrial Ordinary share index to a new all-time peak. Investors were active for a while but as the session wore on business became progressively lighter. Consequently, market thoughts began to turn towards Wall Street.

Concern about tighter credit coupled with the growing controversy over the Federal Budget deficit lowered the Dow Jones average over 12 points early yesterday and London values followed. In the after-hours' trade the emphasis was on U.S. favourites, particularly ICI which fell 16 late to 576p on American selling. The 30-share index suffered and, after showing marginal gains at most inter-day counts, closed 6.2 down on the session at 835.4.

February's sharp slowdown in UK money growth gave added encouragement to Gilt-edged investors. Quotations opened at Tuesday's enhanced late levels and soon improved further with selected longer maturities extending their gains to around ¼. But interest in this sector, too, faded and the market turned reactionary on profit-taking.

News that applications for the new tap stock, Exchequer 10 per cent 1989 "A," had been allotted in full at the minimum tender price of £96, caused an extension of the easier tone. Renewed selling after the official 3.30 pm close, finally left few gilts higher on the day with the exception of some currently popular stocks in the 1994-97 area. Index-linked issues remained out of favour and sustained fresh losses ranging to ¼.

Life Insurances dull

Life Insurances succumbed to revived fears that next Tuesday's Budget could contain measures to reduce or abolish premium relief. Pearl fell 16 to 778p, while Britannic, 460p, Hambro Life, 428p, Legal and General, 488p, and London and Manchester, 483p, all lost 10. Prudential slipped 9 to 442p as did Refuge, to 407p and Sun Life, to 588p. Elsewhere, Hogg Robinson gave up 3 to 178p, after 176p, on the bid denial from Marsh and McLennan.

The reluctance of the other major clearers to follow Barclays' lead in reducing base lending rates served to deter buyers. Consequently, the trend became uncertain awaiting today's preliminary results from Midland, 4 better at 402p. Lloyds, which concludes the dividend season tomorrow, cheapened 3 to 590p. The move towards cheaper money induced firmness in both Discount Houses and Hire Purchases. Among the former, Union stood out with a rise of 15 to 775p, after 780p, while Gerrard and National put on 7 at 325p. Elsewhere, Cattles Holdings featured at 37p, up 4½, and London Scottish Finance firmed 5 to 58p.

Oil and gas exploration group Petranol a steadily rising market since its debut just over a week ago, encountered profit-taking and reacted 10 to 183p.

The 23 per cent increase in January beer production helped leading Breweries to make progress. Arthur Guinness featured with a gain of 8 to 155p, while Scottish and Newcastle put on 3 to 110p and Allied a penny to 153p. Selected secondary issues remained popular on takeover hopes. Higsons advanced 15 more to 130p and Buckleys added 4 at 54p.

Secondary issues provided the only noteworthy movements in Buildings. The chairman's cautious remarks about first-half trading caused Countryside to ease a couple of pence to 222p, but revived support left SGB 4 dearer at 150p. Arncliffe encountered scrappy selling and shed 5 to 68p; the preliminary figures are due on March 19. J. Jarvis, half-year figures scheduled for March 14, lost 10 to 260p.

Apart from the late reaction in ICI, Chemicals traded on a steady note.

Strong & Fisher pleases

Shoes and Leather concerns were highlighted by Strong and Fisher which returned to prominence with a jump of 10 to 197p, after 210p, in response to much-better-than-expected interim profits. Allebone rose 3 more for a two-day advance of 9 at 42p on renewed speculative buying ahead of the anticipated increase in leather footwear prices.

Secondary issues provided the focal points in Stores. Demand in a restricted marked lifted French Connection 23 to 260p, while speculative buying prompted a rise of 4 to 42p in A. G. Stanley. Helped by considerable call option activity, Selincourt closed 1½ up at 16¾p, after 17¼. Samuel ended 6 dearer at 178p. The leaders plotted an irregular course in thin trading. Woolworth put on 7 more to 435p, but Marks and Spencer softened a few pence to 234p. Still reflecting the bid denial from U.S. interests, House of Fraser declined 4 further to 270p.

Leading Electricals fluctuated narrowly before closing a shade easier on balance. Elsewhere in the sector, Michael Black fell 12 to 56p late on the statement from Highgate and Job; the latter stated that following the rival bid for MB from Emess Lighting, it may now be purchasers of MB shares in the open market. Adverse comment left Amstrad 6 cheaper at 88p, but System Designers put on 18 to 593p awaiting today's preliminary results.

Leading Engineers trended slightly easier in subdued trading. Among secondary issues, Delta were a relatively lively market at 80p, up 3; the preliminary results are due later this month. Provincial demand lifted Staveley Industries 10 to 250p and buyers continued to show interest in Tace, which put on 8 further to 216p. Braithwaite, in contrast, eased 9 to 163p, following the proposed acquisition of Engineering Appliances which was accompanied by a profits and dividend forecast. News of the possible share exchange offer, or cash alternative, worth 13.5p per share from Habit Precision prompted a reaction of 2 to 14p in Crosby Woodfield.

Secondary issues provided most of the movements in Foods. Tavener Rutledge jumped to 68p on renewed speculative demand before profit-taking brought the price back sharply to 50p for a net loss of 8. Avana firmed 5 to 520p following the Monopolies Commission's green light for its contested bid for Bassett; the latter hardened a couple of pence to 152p. Needlers attracted support ahead of today's preliminary results and added 3 to 67p. Fellow confectioners Bluebird firmed 4 to 76p; the interim results are scheduled for March 28. Elsewhere, further buying lifted Dee Corporation 10 to 515p, but Bio-Isolates encountered scrappy selling and in a sensitive market shed 12 to 113p. Recently-firm Bernard Matthews slipped 5 to 175p and Pyke Holdings lost the same amount to 200p. The leaders closed with small irregular movements. Cadbury Schweppes softened a couple of pence to 128p awaiting today's annual results.

Bid favourite Norfolk Capital eased to 62p before reverting to the overnight level of 63p on news that the Kuwait Investment Office had acquired a 7.88 per cent stake in the company.

Francis Inds. advance

Leading Miscellaneous Industrials held steady until the late dealings when they became unsettled by the current Wall Street trend. Among U.S. favourites, Glaxo gave up 12 at 778p and Beecham 10 at 315p. Elsewhere, Francis Industries stood out with a rise of 19 to 118p, after 122p, on news of the preliminary bid discussions with Suter. Kennedy Smale, in contrast, weakened 14 to 134p; Suter announced a 5.5 holding in the company earlier in the week. Consultants, up 40 more at 875p, after 900p, continued to benefit from the preliminary figures, while Oriflame advanced 40 further to 790p on the increased dividend and profits. News that Robert Moss had acquired an 8.1 per cent stake in the company prompted buying of Cole Group, which touched 160p before closing a shade below the best at 158p for a net rise of 12. D. Macpherson, persistently bought of late on bid hopes, reacted to 63p prior to settling 2½ down on balance at 65p. Acquisition news left Marshalls Universal a couple of pence dearer at 62p, while revived demand lifted Pilkington 13 to 305p and Rank Organisation 6 to 246p. Hawley Group, awaiting today's results, eased to 95p before ending a couple of pence cheaper at 97p. Electro-Protective fell 12 to 160p.

Television issues continued to reflect favourable Press mention and recorded fresh gains throughout the list. LWT "A" firmed 5 for a two-day gain of 15 to 246p, while HTV N/V rose 6 more to 288p. Anglia "A" and Scottish "A" both added 4 to 184p and 137p respectively, while TSW improved 2½ to 35p. TVS, additionally buoyed by an investment recommendation, gained 14 to 126p in a restricted market. Trident TV "A" put on 5 at 145p, but Aspinall shed that much to 132p on lack of interest. Medminster firmed 3 to 86p in response to the increased half-year profits. Elsewhere, Horizon Travel met with revived support and rose 8 to 185p, while Intasun improved 5 to 185p.

Lex Service stood out in Garages, rising 12 to 400p on demand ahead of the preliminary results, scheduled for later this month. Charles Hurst found support at 168p, up 8, while Glanfield Lawrence hardened a couple of pence to 47p. Elsewhere in Motors, AE firmed 2½ to 89p on continuing hopes that the Monopolies Commission would clear GKN's bid. Lucas, on the other hand, dropped 5 to 204p as did Dowty, to 136p.

Greeting card manufacturers, W. N. Sharpe soared 150 to 480p and the "A" 120 to 460p on news of the bid approach from Octopus Publishing, 6 dearer at 588p. In Paper/Printings, J. and J. Makin advanced 28 to 243p in belated response to the increased interim profits and accompanying encouraging remarks about second-half prospects. Richard Clay put on 6 to 108p and KLP firmed 8 to 205p.

Business in Properties failed to expand, but the leaders still managed modest gains. Land Securities hardened a couple of pence and MEPC added 3 to the common level of 280p. Peachey gained the turn to a 1983-84 peak of 199p and Great Portland Estates improved 2 to 156p. Elsewhere, Centrovincial Estates put on 5 to 219p.

P & O Deferred stood out in Shippings, rising 7 to 283p following a sudden bout of buying in anticipation of early news from the Monooplies Commission on the Trafalgar House bid. Elsewhere, Mersey Docks rose 3 to 59½p in response to speculative support.

British Mohair, 5½ up at 92p, provided an isolated firm feature in Textiles.

Shell remained a weak market and dropped 18 to 627p reflecting Wall Street influences and selling ahead of the preliminary results expected a week today. Other leading Oils also lost ground, BP falling 12 to 423p, Britoil 5 to 238p and LASMO 4 to 311p. Ireland's Atlantic Resources dipped to 450p in early trading but recovered strongly to close a net 10 higher at 480p. Second-line issues provided firm spots in Goal Petroleum, 8 to the good at a 1983-84 high of 112p and Plet Petroleum, 5 better at 138p. The retreat by overnight Sydney and Melbourne markets prompted persistent selling of Australian oils. Woodside eased a penny to 58p despite the 169 per cent jump in full-year net profits while Santos, which posted a near 81 per cent gain in net profits, gave up 6 at 464p.

News that JEP Securities now holds an 8.104 per cent interest in Tozer Kemsley boosted the latter 4 to 36p.

Golds easier

The South African sector of mining markets put on a creditable performance in view of the renewed decline in the bullion price which dropped below the psychologically important $400 an ounce level prior to closing a net $3.75 off at $399.75.

The gold sharemarket held reasonably steady in initial trading, when gold was quoted around $402, but drifted easier around midday on lack of interest and renewed profit-taking.

However, early afternoon trading activity saw the metal price and the South African gold were finally up ¼ apiece at 1983-directions. Bullion dipped to around $397.5 but gold shares quickly responded to Cape support which was followed by U.S. demand around the opening of Wall Street.

Consequently, prices were only a fraction easier on balance at the close and in one or two places, showed minor gains on the day.

The outstanding performances came from three of the leading heavyweights. Kloof and Buffels were finally up ¾ apieve at 1983/1984 highs of £38¾ and £46¾ respectively while Driefontein hardened ½ to a peak of £27¼. The Gold Mines index showed a 2.8 decline at 697.8.

Financials provided a firm feature in "Amgold," a half-point to the good at £88½, but London issues mirrored the downturn in gold and were additionally unsettled by end-account profit-taking. Gold Fields lost 7 more to 593p—a two-day decline of 14—on further consideration of the interim results, while Rio Tinto-Zinc gave up 8 to 655p and Charter Consolidated 6 to 232p.

Australians were a weak market, depressed by the substantial losses in overnight domestic markets and sizable selling pressure from London operators.

The leaders bore the brunt of the selling with double-figure falls common to Peko-Wallsend, 348p, MIM Holdings, 210p, and Western Mining, 253p. In Golds, Whim Creek dropped 14 to 234p, Gold Mines of Kalgoorlie 7 to 728p and North Kalgurli 3 to 80p. Poseidon gave up 7 to 311p following the disappointing results.

Tins sprang to life after an extended period of inactivity. Hongkong Tin followed Tuesday's £3 jump with a further point gain to a 1983/84 high of £10, still reflecting rumours of an assets injection. Other Malaysian Tins responded to the strong tones in Singapore and Kuala Lumpur. Pengkalen jumped 50 to 550p, Gopeng added 35 at 435p, Ayer Hitam 23 at 240p, and Berjuntai 10 at 165p.

Helped by increased activity in put operations, the total number of Traded Options completed yesterday rose to 2,668 deals done with the number of puts transacted jumping to 1,448 from the previous day's meagre sum of 793. GEC positions were actively traded with 723 contracts struck, 677 being puts.

Stocks to attract money for the call included Dares Estates, Selincourt, Pleasurama, Southern Resources, Combined Technology, Lonrho, Gestetner A. W. E. Norton, Amalgamated Estates, Armour Trust, Mersey Docks, Security Tag, Cosalt, Amstrad, Legal and General, Tace, Churchill, British Mohair, Lofs, Applied Botanics and FKI Electricals. Puts were arranged in A. Caird, LASMO and Mersey Docks, while Brunswick Oil were dealt in for the double.

FINANCIAL TIMES STOCK INDICES

	March 7	March 6	March 5	March 2	March 1	Feb. 29	year ago
Government Secs	83.36	83.31	83.23	83.12	82.87	82.64	80.35
Fixed Interest	86.97	86.91	86.91	86.81	86.69	86.82	81.78
Industrial Ord.	835.4	841.6	832.6	838.9	828.3	819.8	664.9
Gold Mines	699.8	702.6	704.7	673.5	672.3	668.3	584.6
Ord. Div. Yield	4.41	4.37	4.42	4.39	4.46	4.51	4.83
Earnings, Yld.% (full)	9.46	9.38	9.49	9.42	9.56	9.69	10.15
P/E Ratio (net) (*)	12.78	12.89	12.73	12.83	12.64	12.48	11.91
Total bargains	20,217	22,658	23,210	24,635	21,929	25,095	24,893
Equity turnover £m.	—	344.51	306.76	321.73	296.52	217.44	207.65
Equity bargains	—	20,616	23,901	18,799	18,220	16,851	19,045
Shares traded (ml)	—	145.8	190.9	164.6	160.7	127.0	125.0

10 am 841.2. 11 am 841.8. Noon 841.8. 1 pm 842.4. 2 pm 842.2. 3 pm 841.8.

Basis 100 Govt. Secs. 8/1/58. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 12.00.

HIGHS AND LOWS

	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs	83.77 (9/1/84)	77.00 (24/1/83)	127.4 (9/1/56)	49.18 (3/1/75)
Fixed Int.	87.47 (30/1/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	841.6 (6/3/84)	598.4 (12/1/83)	841.6 (6/3/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.6 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	March 6	March 5
Daily Gilt Edged Bargains	213.1	199.5
Equities Bargains	133.6	154.9
Equities Value	494.2	618.0
5-day Average Gilt Edged Bargains	194.3	192.7
Equities Bargains	127.5	124.4
Equities Value	560.3	556.6

FTSE 100 INDEX

Close	1055.6	(−8.9)
Day's high	1063.1	(10.41am)
Day's low	1055.6	(5.04pm)

(Base value=1000 January 3 1984)

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Francis Inds	118	+19
ICI	576	−16
I. C. Gas	298	+ 8
Lex Service	400	+12
MIM Holdings	210	−10
Pearl Assurance	778	−16
Pilkington Bros	305	+13
Shell Transport	627	−18
Strong and Fisher	197	+10
Tavener Rutledge	50	− 8
Trident TV A	145	+ 5
Western Mining	253	−10

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
BTR	29	475	+29
Petranol New	18	193	+18
Glaxo	15	790	+10
Horne R. n/v A	15	85	—
Shell Trans	15	645	—
Plessey	14	224	+10
Avana	13	515	+20
Beecham	13	325	+ 5
GEC	13	188	+ 5
ICI	13	592	+ 4
Racal Elects	13	220	+ 8
BP	12	435	—
RTZ	12	663	− 2
Thorn EMI	12	658	+ 8

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Wed March 7 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues March 6 Index No.	Mon March 5 Index No.	Fri March 2 Index No.	Thur March 1 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (205)	510.99	+0.1	8.45	3.51	15.25	510.65	504.63	506.67	500.16	456.48
2	Building Materials (26)	494.63	+0.5	10.57	4.40	11.74	492.28	494.65	495.31	480.62	449.34
3	Contracting, Construction (34)	766.28	+0.3	11.98	4.53	10.46	763.95	773.58	770.25	763.36	807.30
4	Electricals (15)	1793.22	+0.1	6.82	3.77	18.64	1791.92	1778.63	1795.00	1777.20	1678.56
5	Electronics (24)	1748.19	+0.1	8.23	2.16	15.81	1747.25	1707.74	1735.82	1708.87	0.00
6	Mechanical Engineering (63)	239.17	−0.3	10.29	4.77	11.96	239.80	239.95	238.08	237.59	216.13
8	Metals and Metal Forming (9)	284.65	−0.2	8.85	5.73	16.20	285.05	284.37	284.45	284.06	172.10
9	Motors (17)	136.72	+0.8	1.72	3.97	—	135.62	135.95	136.26	134.54	94.89
10	Other Industrial Materials (19)	670.91	−0.2	4.68	3.31	29.07	672.45	667.69	663.98	634.78	425.55
21	CONSUMER GROUP (196)	490.76	−0.1	10.12	4.15	12.08	491.46	489.40	491.04	484.53	421.41
22	Brewers and Distillers (23)	477.81	+1.0	12.61	5.04	9.80	472.98	471.80	478.69	463.24	463.19
25	Food Manufacturing (22)	396.35	−0.1	12.77	5.27	9.10	396.79	396.39	396.28	394.25	347.47
26	Food Retailing (12)	1118.36	+0.1	7.43	2.61	17.33	1116.81	1114.13	1114.71	1108.72	871.09
27	Health and Household Products (9)	754.90	−1.5	6.39	2.95	18.54	766.20	756.29	768.83	755.80	749.66
29	Leisure (23)	666.78	+0.7	8.55	4.24	15.04	662.11	661.62	656.20	648.79	518.60
32	Newspapers, Publishing (15)	1285.47	+1.5	7.61	3.95	15.60	1266.02	1266.33	1268.49	1268.77	732.33
33	Packaging and Paper (15)	239.84	+0.1	10.26	4.17	12.04	239.67	239.58	241.37	239.82	165.55
34	Stores (47)	440.88	−0.7	7.86	3.52	17.29	443.82	441.65	444.17	436.37	369.12
35	Textiles (19)	274.81	+0.3	11.31	4.43	10.17	273.87	273.69	272.89	271.59	208.87
36	Tobaccos (3)	541.08	−0.4	18.63	6.06	6.07	543.04	540.29	542.46	534.37	445.12
39	Other Consumer (8)	462.34	+0.1	11.18	5.74	—	461.92	465.14	466.82	464.49	385.99
41	OTHER GROUPS (83)	437.49	−0.2	9.12	4.38	13.20	438.59	437.90	439.12	432.98	333.03
42	Chemicals (16)	589.69	−1.7	11.23	4.95	10.50	599.99	596.94	600.82	596.57	492.77
44	Office Equipment (5)	138.01	+2.5	7.28	5.37	18.10	134.66	135.19	136.70	135.29	104.81
45	Shipping and Transport (14)	873.79	+0.4	7.26	4.64	18.61	869.93	871.60	867.95	865.42	606.89
46	Miscellaneous (48)	598.60	+0.6	7.97	3.66	15.02	587.25	587.32	587.99	574.21	474.99
49	INDUSTRIAL GROUP (484)	494.33	−0.1	9.41	3.97	13.16	494.78	491.72	493.39	486.86	422.54
51	Oils (16)	1025.04	−2.4	10.80	5.77	11.16	1049.85	1049.82	1064.95	1053.42	725.05
59	500 SHARE INDEX	538.75	−0.5	9.65	4.26	12.79	541.28	538.42	541.32	534.36	447.48
61	FINANCIAL GROUP (121)	381.92	−0.1	—	5.22	—	382.20	378.32	378.19	377.67	311.86
62	Banks (6)	405.17	+0.4	21.38	6.56	5.29	403.56	397.66	397.78	404.80	344.87
63	Discount Houses (8)	459.56	+1.5	—	6.13	—	452.77	449.46	446.98	446.47	381.61
65	Insurance (Life) (9)	476.30	−2.0	—	4.73	—	485.78	470.08	475.86	469.09	387.64
66	Insurance (Composite) (9)	259.49	−0.6	—	6.59	—	260.97	260.36	257.27	253.60	196.59
67	Insurance Brokers (6)	628.85	−0.3	10.88	4.58	12.66	630.70	636.21	612.40	630.72	576.38
68	Merchant Banks (12)	245.11	−0.1	—	3.87	—	245.25	246.86	247.99	249.37	161.10
69	Property (53)	560.62	+0.5	5.34	3.54	25.14	557.61	555.82	556.97	553.14	473.40
70	Other Financial (18)	276.40	−1.0	10.09	4.96	11.80	273.75	273.39	271.93	272.15	243.30
71	Investment Trusts (106)	498.36	−0.4	—	3.60	—	496.44	497.65	492.20	489.60	408.68
81	Mining Finance (4)	315.85	−1.3	8.45	4.62	14.32	319.91	321.59	318.91	311.85	253.49
91	Overseas Traders (15)	573.56	−0.1	7.87	6.53	16.99	574.06	579.83	580.80	571.14	438.10
99	ALL-SHARE INDEX (746)	500.70	−0.4	—	4.42	—	502.55	499.91	501.49	496.86	413.62

FIXED INTEREST

	PRICE INDICES	Wed March 7	Day's change %	Tues March 6	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	119.15	+0.01	119.13	—	1.96
2	5-15 years	133.64	+0.07	133.55	—	2.41
3	Over 15 years	142.57	+0.22	142.25	—	2.53
4	Irredeemables	153.33	+0.21	153.01	—	1.62
5	All Stocks	131.74	+0.08	131.63	—	2.28
6	Debentures and Loans	109.25	+0.30	108.92	—	1.61
7	Preference	82.25	+0.05	82.22	—	1.89

	AVERAGE GROSS REDEMPTION YIELDS		Wed March 7	Tues March 6	Year ago (approx)
	British Government				
1	Low Coupons	5 years	9.79	9.78	9.84
2		15 years	10.04	10.05	10.40
3		25 years	9.71	9.72	10.43
4	Medium Coupons	5 years	10.52	10.51	11.54
5		15 years	10.49	10.51	11.20
6		25 years	9.94	9.97	10.77
7	High Coupons	5 years	10.63	10.62	11.55
8		15 years	10.61	10.63	11.43
9		25 years	10.05	10.06	10.90
10	Irredeemables†		9.64	9.66	10.27
11	Debs & Loans	5 years	11.30	11.34	12.37
12		15 years	11.42	11.47	12.51
13		25 years	11.45	11.51	12.55
14	Preference†		11.90	11.91	12.63

†Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

EUROPEAN OPTIONS EXCHANGE

Series		March Vol.	March Last	June Vol.	June Last	Sep. Vol.	Sep. Last	Stock
GOLD C	$375	12	39	—	—	—	—	$398.75
GOLD C	$400	5	32	—	—	—	—	"
GOLD C	$425	25	25.60	—	—	—	—	"
GOLD C	$450	266	3	—	—	—	—	"
GOLD P	$375	10	7	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS 14,037

A=Ask B=Bid C=Call P=Put

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P. (*425)	390	43	52	—	8	12	—
	420	24	37	45	23	35	37
	460	7	10	23	60	63	65
Cons. Gold (*594)	460	137	145	—	1	3	—
	500	97	105	115	2	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
LASMO (*313)	260	65	75	—	5	8	—
	280	48	63	—	10	20	—
	300	33	45	53	20	28	33
	330	12	25	33	35	43	47
	360	5	15	—	60	63	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Mar. 7. Total Contracts, 2,668. Calls 1,220. Puts 1,448. *Underlying security price.

RECENT ISSUES

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or −	Net Div.	Times Covered	Gross Yield	P.E. Ratio
‡	F.P.	—	42	14½	Aberfoyle Hldgs. 5p	38	+1	—	—	—	—
‡58	F.P.	9/3	80	70	✠Assoc. EnergySer.5p	73	−2	b1.0	3.9	2.0	15.0
‖	F.P.	—	150	147	✠Brint Invs. £1	147	−1	—	—	—	—
155	F.P.	—	182	170	Burmatex 10p	170	......	b5.0	1.9	4.2	17.6
*93	F.P.	2/3	242	180	✠CML Mic's'tems 10p	240	......	b1.4	3.4	0.8	51.1
*275	F.P.	2/3	340	271	Cable & Wireless 50p	325	......	h5.47	3.5	2.4	14.1
‡	F.P.	—	100	88	✠Circaprint Hldgs 10p	100	......	u0.7	7.7	1.0	14.3
162	F.P.	—	175	175	✠Denmans Electrical	175	......	43.5	3.9	2.9	11.5
‖	F.P.	—	120	110	✠Dewey Warren 10p	110	......	—	—	—	15.0
‖	F.P.	—	255	185	✠Gibbs Mew	185xd	......	4.65	1.6	3.6	24.2
91	F.P.	24.2	99	94	✠GrosvenorSq.Pp. 10p	99	......	b5.0	2.3	7.2	7.3
**	F.P.	—	29	27	Hambros Inv.Tst. War.	27	......	—	—	—	—
*156	F.P.	—	91	83	✠Horne (Robert) 20p	90	......	u2.46	6.6	3.9	5.4
—	F.P.	—	88	78	Do. N/V 'A' 20p	85	......	u2.46	5.6	4.1	5.1
35	F.P.	23/3	42	39	✠Kent (John) 5p	41	+1	bg1.23	2.2	4.3	15.0
‖	F.P.	19/3	105	85	✠LPA Inds. 10p	85	−5	u2.45	2.5	4.2	13.5
110	F.P.	3.4	136	129	Morceau Hldgs. 10p	134	......	bg2.7	2.6	2.9	15.3
60	F.P.	4.4	77	69	✠Morgan Comm. 5p	74	......	bg1.85	1.7	3.6	24.0
116	F.P.	23/3	200	160	✠NorbainElectro's 5p	200	......	bd1.0	4.4	0.7	45.2
*125	F.P.	13/4	193	140	Petranol 10p	185	−8	—	—	—	—
60	F.P.	—	70	64	✠Radio Clyde N/V	69	......	3.0	1.4	6.2	18.1
**	F.P.	—	680	680	Reed Stenh'se Class A	680	......	$0.50c	—	4.9	—
**	F.P.	—	670	670	Do. Class C	670	......	$0.50c	—	4.9	—
23	F.P.	22/3	27½	25	✠Sangers Photo. 10p	26	......	bg1.25	1.8	6.9	11.8
—	F.P.	—	64½	60	Shires Ivn. Warrants	60	......	—	—	—	—
105	F.P.	7/3	114	108	✠Unibond	114	+2	b2.8	2.2	3.5	18.5
50	F.P.	9/3	54	44	✠Xyllyx 10p	46	−3	—	—	—	—

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+ or −
87.918	£25	24/7	28¼	25	Asian Dev. Bk. 10¼% Ln. 2009	28¼	+⅛
**	F.P.	—	106p	105½p	Baring Bros. 7½% Cum. Prf. £1	105½p	......
97.072	£25	1.7	28¼	25¼	Brixton Est. 11½pc 1st Mort. Deb. 2023	28¼	+½
**	F.P.	30/3	111½p	108½p	Bulmer (H.P.) 8½% 2nd Cum. Prf	111p	......
99.15	£25	23/3	30¼	24½	Elf (U.K.) 12¼% Uns. Ln. '91	30¼	+1
98.548	F.P.	6/4	99½	98	Grainger Tst. 11½% 1st Mort. Deb 2024	99½	+1
**	F.P.	—	108	102¼	Hanson Tst. 8% Cnv. Un. Ln. 2004/09	107½	+1½
99.714	£50	26/4	34¼	30	Int. Bk. for Rec. & Dev. 11.5% Ln. 2003	34¼	+⅜
‡	F.P.	7/3	118	100½	Lon. Shop Prop. 9pc Cnv. 94/99 Ser II	115	+1
95.711	£25	15/6	26⅝	24½	MEPC 10½pc 1st. Mort. Deb. 2024	26⅝	+⅝
*101	£10	14/3	10¼	10¼	Mid Southern Wtr. 8¼% Red. Prf. 1991	10¼	......
—	F.P.	—	100¼	100	Nationwide 10¼% Bds. 28/1/85	100¼	......
—	F.P.	—	100⅜	100	Do. 10¼pc 18/2/85	100⅜	......
$97.80	£25	12/7	29	25½	Province de Quebec 12¼% Ln. 2020	29	+⅛
99.44	£25	13/4	29⅞	25¼	Queens Moat 12% 1st Mort. Deb. 2015	29⅞	+⅞
100	F.P.	—	100½	98¼	Rochdale Met. Bor. 11.10% Red. 2006	100½	+½
**	F.P.	27/4	103½	100¼	Scot. Northern Inv. Tst 11½% Rd.Db.2009	103½	+¾
**	F.P.	30/3	106½	107½	Slough Ests. 12½% Uns. Ln. 2009	106½	+1
99.895	£50	21/3	34⅛	32⅝	Spain 12% Ln. 1989	34⅛	+¼
98.50	£25	11/5	26⅛	24⅞	TR City of London 11½pc Deb. 2014	26⅛	+½

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price	+ or −
56	Nil	—	2pm	1½pm	✠Airship Inds. Unitst	1½pm	......
530	Nil	—	200pm	128pm	Applied Computer 10p	128pm	......
A$7.5	Nil	2/5	240pm	218pm	Broken Hill Prop.A$2	232pm	......
—	F.P.	—	258	138	East Dagga Options	258	+15
50	Nil	12/3	6pm	4pm	✠Greenwich Cable Comm	6pm	+10
275	Nil	9/3	44pm	32pm	Higgs & Hill	42pm	......
R.50	Nil	—	775pm	650pm	Liberty Life R.1	750pm	+100
137	F.P.	8/3	159	150	McCorquodale	152	......
556	Nil	14/3	270pm	210pm	✠Micro Focus 10p	237pm	......
185	Nil	16/3	25pm	21½pm	Newmarket 5c	25pm	......
16	Nil	—	12pm	12pm	Shealbank Property 10p	12pm	......
350	F.P.	29/2	394	376	Sketchley	376	−8

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. C Canadian. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ■ Allotment letters (or fully-paid). ‖‖ Introduction. ✠ Unlisted Securities Market. § Placing price. †† Official London Listing. * Offered as units, comprising one ord and one N/V A ord. † Offered as units, comprising one Red. Prf. share of 1p and 55p of 12 per cent Conv. Ln. stk. 1986-90. ‡ No par value.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	44	28	32
Corpns. Dom. & Foreign Bonds	15	0	63
Industrial	328	271	815
Financial & Props.	121	66	337
Oils	16	34	71
Plantations	0	5	15
Mines	56	44	73
Others	61	74	64
Totals	641	522	1470

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar 5	Mar 16	June 14	June 25
Mar 19	Mar 30	June 28	July 9
Apr 2	Apr 13	July 12	July 23

For rate indications see end of Share Information Service

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (132)

BRITISH FUNDS (12)
INT. BK. & O'SEAS GOVT. STLG. ISS. (5)
FOREIGN BONDS (2)
BANKS (4)
BREWERS (2)
BUILDINGS (4)
CHEMICALS (1)
STORES (9)
ELECTRICALS (11)
ENGINEERING (8)
FOODS (2)
INDUSTRIALS (18)
LEISURE (9)
MOTORS (3)
NEWSPAPERS (2)
PAPER (4)
PROPERTY (8)
SHIPPING (2)
TEXTILES (4)
TRUSTS (11)
OILS (1)
MINES (10)

NEW LOWS (13)

BRITISH FUNDS (4)
Treas. I.L. 2pc 1990 Treas. I.L. 2½pc '11
Treas. I.L. 2½pc '01 Treas. I.L. 2½pc '20
AMERICANS (1)
Amer. Med. Intl.
BUILDINGS (2)
Maunders (John) Tay Homes
INDUSTRIALS (4)
Baxter Travenol Security Services
Securicor Do. A N-V
OILS (1)
Jebsens Drilling
MINES (1)
Meekatharra Minerals

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983-84 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
104¾	100½	Exchequer 14pc 1984	100[illegible]	−⅛	13.87	9.26
98¾	92½	Exch. 3pc 1984	98[illegible]	......	3.05	9.05
102[illegible]	100[illegible]	Treasury 12pc 1984	101[illegible]xd	+[illegible]	11.80	8.82
107[illegible]	104[illegible]	Treasury 15pc 1985	105¼	......	14.25	9.11
107	101[illegible]	Exch. 12pc Cnv. '85	102¼xd	......	11.68	9.18
94⅝	88⅝	Treasury 3pc 1985	93[illegible]	−⅛	3.23	8.73
102[illegible]	99⅞	Treasury 11½pc 1985	102[illegible]	......	11.21	9.41
102	95	Treas 8¾pcCnv '85	99[illegible]	+[illegible]	8.82	9.32
104[illegible]	100¼	Exch. 12¼pc 1985	104[illegible]	+[illegible]	11.76	9.48
103¼	99[illegible]	Exch. 11¼pc '86	103¼	......	11.93	9.52
102¾	97¼	Treas 10pc Cnv 1986	102¼xd	+⅛	9.79	8.89
90¼	85⅝	Treasury 3pc 1986	88½	+[illegible]	3.39	8.86
102	97[illegible]	Exch. 10½pc Cv '86	102	......	10.29	9.45
104[illegible]	100[illegible]	Treasury 12pc '86	104[illegible]	......	11.52	9.85
98¼	94⅞	Treasury 8¾pc '84-86‡‡	97⅞	+⅛	8.68	9.52
109[illegible]	105[illegible]	Exch. 14pc 1986	108[illegible]	−[illegible]	12.88	10.13
87⅛	84½	Exch 2½pc 1986	85¾	−⅛	2.93	8.66
107¼	103⅝	Exch. 13¼pc 1987	107⅜	−[illegible]	12.31	10.09
100⅞	95⅞	Treas 10¼pc Cnv '87	100[illegible]	−[illegible]	10.17	9.90
86⅛	80¼	Exchequer 2½pc 1987	84	−[illegible]	2.98	8.73
101[illegible]	95⅞	Exch. 10½pc 1987	101[illegible]xd	+[illegible]	10.38	10.11
93¼	88⅛	Funding 6½pc '85-87‡‡	91¼	+[illegible]	7.11	9.73
99⅝	96	Treas 10pc 1987	99[illegible]	−[illegible]	10.04	10.10
86	80¼	Treasury 3pc 1987	82[illegible]	+[illegible]	3.63	9.10
104[illegible]	99⅞	Treas 12pc 1987	104[illegible]	+[illegible]	11.45	10.34
94⅞	89⅛	Treasury 7¾pc '85-88‡‡	93[illegible]	+[illegible]	8.27	9.72
101½	95½	Exch 10½pc '88	100[illegible]	−[illegible]	10.43	10.28
98⅞	95[illegible]	Treas 9¼pc Conv '88	98⅛	......	9.41	10.20
82	75¾	Transport 3pc '78-88	80¼	−⅛	3.74	8.57
96¼	90¼	Treas. 9½pc '88	96⅝	−[illegible]	9.82	10.42
106¼	95¼	Treasury 11½pc 1989	103⅞	−[illegible]	11.07	10.46

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY—Continued

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

LEISURE

[illegible]

LEISURE—Continued

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS—Continued

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Finance

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

MINES—continued

Australians

1983-84 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
28½	13½	ACM 20c	17½	.....	—	—	—
52	28	Allstate Expl. NL	34	−1	—	—	—
10½	3¾	Asia Oil & Mins.	4¼	.....	—	—	—
19	17	Aust. Hydrocarbons NL	18	.....	—	—	—
40	9	Australis Mng. NL	27½	.....	—	—	—
38	11	Balmoral Res.	31	−2	—	—	—
60	29	Black Hill Mins.	34	−1	—	—	—
104	51	Bond Corp.	97	.....	Q20c	0.7	7.0
183	116	Bougainville 1 Kina	161	.....	Q15.56c	♦	6.6
396	284	CRA $2	336	−4	Q12c	♦	2.4
105	60	Carr Boyd 20c	82	−3	—	—	—
46	25	Central Kalgoorlie	35	.....	—	—	—
45	18	Central Pacific	28½	−½	—	—	—

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

NOTES

[illegible]

REGIONAL AND IRISH STOCKS

[illegible]

OPTIONS

3-month Call Rates

[illegible]

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FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
1-3 St Paul's Churchyard EC4P 4DX 01-236 1893

High Income				
Gilts & Fixed Int.	117.6	124.4xd	+0.6	9.45
High Inc Equity	61.8	66.5	+0.3	6.24
Capital Growth				
American Growth	91.5	98.4	−0.6	1.73
Assets & Ernys. Tt.	56.9	61.5	+0.2	2.99
Capital Reserve (z)	52.5	52.8xd	+0.1	0.80
Commodity & Engy.	80.4	86.5xd	−0.4	3.05
General	93.1	100.4	+0.7	3.36
Japan	131.5	141.4	+0.4	0.21
UK Growth	57.5	62.5	+0.1	2.22
Acc Units	79.7	86.4	+0.1	2.22
US Emerging Co's	44.3	47.6	−0.2	0.55
Worldwide Bond	142.8	153.5	+1.0	3.58
Equitas Prog	132.0	142.7	+0.8	4.06

Aitken Hume
1, Worship St., EC2 01-628 6626

American Tech Fd.	117.0	125.8	−3.5	0.10
Inc & Gwth Fd.	34.8	37.4	−0.1	5.47
Pacific Fd.	147.0	158.7	−4.3	0.40
Secure Income Fd.	123.8	133.0	−0.8	6.20
Special Sits.	160.7	173.0	−3.0	0.97
Energy Fd.	225.1	242.0	−2.5	0.66
Exempt Fd.	385.4	414.4	.....	3.00
Small Co's Fd.	267.0	287.0	+1.5	1.70
Jap. Technology	62.8	67.6	−1.0	0.20

Allied Unit Trusts Limited (A.) (G.)
Allied Hambro Hse., Hutton, Brentwood, Essex
Brentwood (0277) 211459 & 229123

Balanced Trusts				
First Trust	134.3	143.7xd	+1.0	4.43
Growth & Income Tst.	87.4	93.5	+0.7	3.53
Capital Trust	162.4	173.8	+1.2	2.46
Balanced Trust	233.2	249.5	+2.1	3.55
Accum Trust	340.2	364.0	+3.1	3.30
Income Trusts				
High Income Trust	145.7	155.9xd	+1.0	5.24
Equity Income Trust	82.6	88.4	+0.4	5.59
High Yield Trust	101.6	108.7	+0.6	6.44
Govt Secs Trust	29.5	31.5	+0.1	8.60
International Trusts				
International Trust	55.1	59.0xd	−0.3	0.88
Japan Trust	58.1	62.2	−0.3	0.01
Pacific Trust	109.5	117.2	−0.9	0.48
Amer Spec Sits Trust	42.3	45.3	+1.4	0.99
Secs of America Trust	128.1	137.1	−0.8	1.54
Specialist Trusts				
Allied Asset Value	131.6	140.8	+0.9	3.95
Gilt Growth Trust	31.4	33.5	+0.2	3.37
Smaller Co's Trust	89.2	95.4	+0.7	2.81
2nd Smr Co's Trust	115.7	123.8xd	+0.4	2.74
Recovery Trust	48.8	52.2	+0.3	3.13
Met Min & C'dty Trust	97.9	104.8	−0.1	1.71
Overseas Earnings Tst.	123.1	131.7	+0.9	3.26
Technology Trust	81.8	87.5	−0.3	0.94
Exempt Trusts				
Income Exempt Trust	90.3	96.6	+0.5	5.94
Far East Exempt Trust	113.6	121.5	−1.0	0.76
Smaller Co Exmpt Tst.	146.9	157.2	.....	2.68
U.S.A. Exempt Trust	195.3	209.0xd	−1.4	1.55

Anderson Unit Trust Managers Ltd.
62, London Wall, EC2R 7DQ 01-638 1200

Anderson U.T.	111.0	119.5	.....	2.25

Anthony Wieler Unit Tst. Mgmt. Ltd.
19, Widegate St., London E1 7HP. 01-377 1010.

Wieler Gwth Fd. Inc.	53.3	57.4	.....	1.50
Do. Accum.	71.3	76.6	.....	—

Arbuthnot Securities Ltd. (a)(c)
131, Finsbury Pavement, EC2A 1AY 01-628 9876

Capital Growth	43.6	47.1	+0.3	2.32
(Accumulation)	46.0	49.7	+0.3	2.32
Commodity	96.8	104.6	+0.5	1.89
(Accumulation)	158.3	171.1	+0.9	1.89
(10% Withdrawal)	57.7	62.3	+0.3	1.89
Eastern & Internatl.	85.5	92.4xd	+0.1	1.00
(6% Withdrawal)	50.4	54.4xd	+0.1	1.00
Finance & Property	55.0	57.8	+0.3	1.00
Foreign Gwth	56.3	60.8	−0.3	1.00
Gilt & Fixed	46.4	48.8xd	+0.3	9.60
(Accumulation)	65.6	69.0xd	+0.4	9.60
High Income	49.3	53.2xd	+0.3	7.15
(Accumulation)	103.3	111.6xd	+0.6	7.15
High Yield	53.7	58.0xd	+0.2	9.04
(Accumulation)	122.5	132.4xd	+0.4	9.04
Managed Fund	47.5	50.1	−0.1	—
North American	58.1	62.8	−0.1	1.00
Preference	24.6	26.5	.....	11.72
(Accumulation)	65.1	70.3	+0.1	11.72
Smaller Companies	77.2	83.4	−0.1	1.22
(Accumulation)	80.3	86.8	−0.2	1.22
World Penny Share	10.5	11.3	−0.1	2.22

Archway Unit Tst. Mgs. Ltd.(a)(c)
317, High Holborn, WC1V 7NL. 01-831 6233

Archway Fund	185.6	199.6	.....	4.54
Archway Growth Fund	30.4	32.7	.....	2.23

Prices March 1. Next sub day March 8.

Arkwright Management
Parsonage Gdns., Manchester 061-834 2332.

Arkwright Fd Mar 6	147.7	157.2	.....	3.30

Atlanta Unit Managers Ltd
1 Founders Ct., Lothbury, EC2. 01-600 8664

Jap Far East	49.2	53.0	−0.3	1.00

Baillie, Gifford & Co Ltd
3 Glenfinlas St., Edinburgh. 031-225 2581

Japan Ex Feb 22	175.4	184.6	.....	0.29
Intl Ex* Mar 7	260.8	275.3	+14.8	1.13
BGPPN† Mar 15	239.5	252.2	.....	—

†Next dealing day. *Unauthorised.

Barclays Unicorn Ltd.(a)(c)(g)
Unicorn Ho. 252, Romford Rd., E7. 01-534 5544

Unicorn America	54.4	58.8	−0.6	1.36
Do. Aust Acc.	160.4	172.4	−2.0	0.93
Do. Aust Inc.	118.4	127.3	−1.5	0.93
Do. Capital	138.4	148.8xd	+0.7	4.05
Do Exempt Tst.	250.1	268.9	+2.1	4.65
Do. Extra Income	48.1	51.7	+0.5	5.88
Do. Financial	146.7	157.7	+0.9	3.69
Do. 500	156.7	168.4xd	+1.1	3.81
Do. General	80.7	86.7	+0.6	3.68
Do. Gilt & Fxd. Int. Inc.	52.8	55.2xd	+0.4	10.09
Do. Gtr. Pacific Acc.	83.3	89.5	−0.7	0.16
Do. Gtr. Pacific Inc.	82.6	88.8	−0.7	0.16
Do. Growth Acc.	109.5	117.7	+0.5	3.74
Do. Income Trust	188.1	202.2xd	+1.7	4.30
Do. Prf. A'ns. Tst.	82.2	88.3	+0.8	3.91
Do. Recovery	121.0	130.1	+0.6	2.77
Do. Trustee Fund	65.2	70.1	+0.7	4.80
Do Univ Tech Acc.	44.8	48.1	−0.6	—
Do. Univ Tech Inc.	44.8	48.1	−0.6	—
Do. W'ldwide Tst	87.7	94.3	−1.0	0.48
B'tst. In.Fd.Acc.	189.6	204.9	+2.5	3.90
Do. Income	132.7	143.4	+1.8	3.90
Do. Leisure Trust	—	50.0	.....	—

Baring Brothers & Co. Ltd.
8, Bishopsgate, EC2N 4AE. 01-283 8833

Stratton Trust	404.2	421.2	.....	3.77
Do. Accum.	571.8	616.6	.....	3.77

Next sub day March 20 (by noon).

Bishopsgate Progressive Mgmt. Co.
66 St James's Street, SW1A 1NE. 01-493 8111.

B'gate Prog Mar 6	523.8	560.4	.....	2.00
Acc Units Mar 6	695.6	744.2	.....	2.00
B'gate Int Feb 29	614.6	653.2	.....	1.30
Accum Feb 29	735.1	781.3	.....	1.30
Beckman March 7	138.3	144.0	+0.9	—
Can & For March 1	80.9	86.0	.....	2.05
Accum Feb 23	82.4	87.7	.....	2.05

Bridge Fund Managers (a)(c)
Regis Hse., King William St., EC4. 01-623 4951

Amer. Gen. Inc.†	46.6	50.0	.....	0.85
Do. Acc†	46.6	50.1	.....	0.85
Income*	87.0	95.1	.....	4.85
Capital Inc.‡	94.7	101.9	+2.7	1.94
Do. Acc.‡	118.9	127.9	+3.1	1.94
Exempt‡	202.8	218.0	+4.0	2.98
Intl. Recovery Inc.‡	41.1	44.3	+0.6	1.91
Do. Acc.‡	53.4	57.5	+0.7	1.91

Dealing *Tues. ‡Wed. †Thur. Prices March 6/7/8.

Britannia Gp of Unit Trusts Ltd (a) (c) (g)
Salisbury Hse, 31 Finsbury Circus, London, EC2. 01-588 2777. Dealing: 01-638 0478/0479.
Britannia Viewpoint 01-673 0048

UK Specialist Funds				
Growth Gilt Trust	49.6	50.5	.....	0.77
Recovery	69.2	74.6xd	.....	2.85
Smaller Cos	94.4	101.8xd	+0.3	1.44
Spec. Mkt. Sits.	74.6	80.4	+0.2	1.61
UK Blue Chip	59.1	63.7	.....	3.43
High Income Funds				
Nat. High Inc.	119.8	129.8	+1.8	6.34
Extra Inc.	45.6	49.2xd	+0.3	8.62
Inc & Growth	122.4	132.0	+0.3	1.54
Gilt	27.4	28.8	+0.2	9.38
Pref. Shares	17.8	19.2xd	+0.1	11.14
Sector Specialist Funds				
Commodity Shares	148.4	160.0	−1.1	1.56
Financial Secs.	157.8	170.1	+1.2	2.78
Gold & General	31.2	33.9	−0.2	2.03
Int. Leisure Mk.	9.3	10.0	.....	0.40
Inv. Tst. shares	98.1	105.8	+0.1	1.14
Prop. Shares	33.5	36.1xd	+0.2	1.97
Univ. Energy	71.0	76.5xd	−0.5	1.03
World Tech.	43.6	47.0xd	−0.4	—
Overseas Funds				
American Growth	62.9	67.8xd	−1.3	1.54
Am. Smaller Cos.	19.4	20.9	−0.1	—
Am. Spec. Sits	60.3	66.0	−0.9	0.21
Australian Growth	67.8	73.1	−1.0	1.20
Far East	40.9	44.1xd	−0.4	—
Hong Kg. Performce	20.6	22.2	.....	1.79
Intl. Growth	104.4	112.6	−1.0	1.18
Japan Perf. Tst.	90.3	97.1xd	.....	—
Japan Smlr Cos Tst	12.2	13.2xd	.....	—
General Funds				
Capital Acc.	125.8	134.8	+0.2	3.28
Comm. & Ind.	94.4	101.8xd	+0.7	1.71
Domestic	79.8	86.0	+0.5	3.04
Growth	160.6	173.2	+0.4	1.60
Shield	84.3	90.9xd	+0.3	1.92
Exempt Funds				
Exempt	291.1	308.0	+4.4	4.11
Ex. Mkt. Ldrs	51.5	54.5	+0.5	3.46

Brown Shipley & Co. Ltd. (a)(g)
Harlands Hse, Haywards H'th, Sx. 0444-458144.

B.S. Fund	42.5	46.2xd	+0.2	4.10
B.S. Accum	66.6	72.4	+0.3	4.10
Financial	79.5	85.5xd	+0.3	3.28
Growth Accum.	140.9	153.3	+1.1	2.40
Growth Income	94.3	102.5	+0.7	2.40
High Income	38.1	41.1xd	+0.4	6.67
Income	45.5	49.0	+0.3	4.71
North American	40.9	44.5	−0.2	1.32
Orient	43.9	47.2	−0.1	0.28
Recovery	24.2	26.9	+0.4	3.46
Technology	143.0	156.2	.....	0.31
Exempt	140.6	152.0	+1.6	4.10

Buckmaster Management Co. Ltd. (a) (c)
The Stock Exchange, EC2P 2JT. 01-588 2868

Buck'ham Mar 1	131.1	138.4	.....	3.51
Accum Uts Mar 1	196.2	207.1	.....	3.51
Cumberland Fd Mar 7	71.0	75.3	+0.7	6.34
Accum Units Mar 7	110.5	117.2	+1.1	6.34
Marlboro Fd Mar 6	97.4	103.9xd	.....	2.02
(Accum Uts) Mar 6	124.9	133.2	.....	2.02
Smaller Co's Mar 2	864.7	927.7	.....	1.51
(Accum Uts) Mar 2	897.3	962.7	.....	1.51

Canada Life Unit Trust Mngrs. Ltd.
2-6 High St., Potters Bar, Herts. P. Bar 51122

Can. Gen Dist.	76.9	80.9xd	+0.4	3.50
Do. Gen. Accum	114.3	120.4	+0.7	3.50
Do. Income Dist.	55.1	58.0	+0.2	6.30
Do. Inc. Accum.	100.7	106.0	+0.4	6.30
Gilt & Fxd. Int. Trust	33.4	35.2xd	+0.4	—

Cannon Fund Managers Ltd. (z)
1, Olympic Way, Wembley, HA9 0NB. 01-902 8876

Growth	177.5	190.7	+1.0	3.56
Income	202.3	217.5	+0.1	5.18
Far East	109.6	117.9	−0.3	0.97
North American	85.8	92.3	−0.7	2.28

Capel (James) Mngt. Ltd.
100, Old Broad St., EC2N 1BQ. 01-588 6010

Capital	194.9	207.4	+2.1	1.96
Income	156.4	166.4	+1.2	6.13
North American	183.5	195.3	+2.0	1.38

Prices on March 7. Next dealing March 14.

Cater Allen Unit Tst. Managers
1, King William St, EC4N 7AU. 01-623 6314

Cater Allen Gilt Tst.	103.3	109.7xd	.....	11.07

Cent. Bd. of Fin. of Church of England‡‡
77 London Wall, EC2N 1DB. 01-588 1815

Inv Fd Feb 29		278.15	.....	4.82
Fixed Int Secs Feb 29		131.86	.....	10.85
Dep Fnd Mnt Feb 29		100.00	.....	9.20

Charinco Charities N/R Fund‡‡
15, Moorgate, London, EC2. 01-638 4121

Income Feb 29	153.37	—	.....	10.17
Do. Accum.	372.24	—	.....	10.17

Charities Official Invest. Fund‡‡
77 London Wall, EC2N 1DB. 01-588 1815

Income Feb 29		245.30	.....	5.71
Accum Feb 29		639.97	.....	—

Chieftain Trust Managers Ltd (a) (g)
11, New St., EC2M 4TP. 01-283 1963.

American	39.2	42.5	−0.3	1.20
Australian	23.6	25.6	−0.2	1.40
Far Eastern Tst.	59.8	64.7	−0.3	0.19
Japan Trust	—	25.0	.....	0.50
High Income	41.7	45.1xd	+0.3	8.77
Intl. Trust	57.3	62.1	+0.2	0.85
Basic Resources Tst.	48.4	52.4	−0.2	1.43
Incm. Growth Tst.	34.1	36.9	+0.2	6.21
Pref. & Gilt Tst.	19.8	21.4	.....	11.74
Smaller Co's Trust	34.0	36.8	.....	2.14
Global Recovery Trust	30.9	34.6	.....	3.10
Special Inc. Sits.	27.7	30.0	−0.1	4.76

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	128.0	134.7	.....	3.53

County Bank U.T. Services Ltd
Managers of NatWest Unit Trusts
161, Cheapside, EC2V 6EU. 01-726 1999

Capital (Accum.)	206.2	221.7	+0.6	1.45
Energy Tst.	56.1	60.3xd	−0.9	1.15
Extra Inc.	113.0	121.4	+0.5	5.56
Financial	83.0	89.2xd	+0.3	3.24
Gilt Strategy	47.3	49.7	−0.2	2.52
Growth Investment	182.9	196.6	+0.5	2.85
Income	82.0	88.1xd	+0.3	4.39
Japanese & Pac. Gth.	73.0	78.4xd	+0.2	1.15
North Am-Gwth. Tst.	84.0	90.3	−0.9	0.70
Portfolio Inv. Fd	126.2	133.5	+1.0	3.69
Recovery Trust	92.8	99.7	−0.3	1.77
Smaller Companies	122.3	131.5xd	.....	2.35

Craigmount Unit Tst. Mgrs. Ltd.
Electra Hse, Temple Pl, Vic Emb, WC2. 836 7766

High Income	45.3	48.8	+1.0	6.23
North American	78.9	84.9	−1.6	0.31
Canadian Trust	66.7	71.8	−0.1	0.33
Mid Mount High Inc.*	57.8	60.4xd	.....	6.90
Recovery	102.1	109.7	+1.0	1.89
Gilt Trust	39.9	41.4xd	+0.3	9.90

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4, Melville Cres., Edinburgh 3. 031-226 3492

Cres. American	58.6	63.2	−0.5	1.34
Cres. Capital	51.7	55.8	+0.3	1.57
Cres. Growth & Inc.	83.4	90.0xd	+0.4	4.58
Cres. High. Dist.	71.1	76.7	+0.4	6.52
Cres. International	129.7	140.0	+0.2	0.99
Cres. Resources	27.3	29.4	−0.1	2.04
Cres. Tokyo	94.5	102.0	+0.4	8.25

Insurances—continued

Albany Life Assurances Co Ltd
3 Darkes Lane, Potters Bar. 0707 142311

Pension Funds				
EqPenFdAcc	661.7	696.5	+4.5	—
EuroFdAcc	101.4	106.7	+0.7	—
FxdPenAcc	439.2	462.2	+3.6	—
GtMnPnAcc	255.4	268.8	+0.1	—
Intl Man Fd	256.6	270.0	−2.7	—
Jap Pen Fd	140.2	147.5	....	—
AmPnFdAc	115.5	121.5	−1.4	—
Property	238.2	250.7	....	—
MpllnPnAc	540.4	568.8	+1.2	—

Colonial Mutual Group
24 Ludgate Hill, EC4P 4BD. 01-248 9861
Capital Life Assurance

Key Inv Fd	—	127.95	....	—
PcmkrInvFd	—	126.46	....	—
Equity Fd	109.86	115.64	....	—
Fxd Int Fd	105.63	111.21	....	—
Propty Fd	102.02	108.44	....	—
Cash Fd	101.43	106.70	....	—
Managd Fd	111.37	117.23	....	—
Col Mut Life (Pension Annuities)				
ManPnA/B	105.89	111.48	....	—
MnPCIA/B	106.32	111.93	....	—

Commercial Union Group
St Helens, 1 Undershaft, EC3. 01-283 7500

VarAnMar9	—	34.44	....	—
VarAnAccUts	—	158.39	....	—
Prime Series—Life				
Managed	135.8	143.0	+0.1	—
UK Equity	140.9	148.4	+0.9	—
Int Equity	127.9	134.7	−1.0	—
Property	104.7	110.3	....	—
Fixed Int	114.9	121.0	+0.7	—
IndxLkdGt	87.4	92.0	−0.5	—
Cash	100.7	106.7	....	—
Prime Series—Pensions				
Managed	100.6	105.9	+0.2	—
UK Equity	102.7	108.2	+0.1	—
Int Equity	97.4	102.6	−0.2	—
Property	96.6	101.7	....	—
Fixed Int	98.1	103.3	+0.7	—
IndxLkdGt	91.7	96.6	−0.6	—
Cash	96.3	101.4	....	—

Continental Life Assurance PLC
64 High St Croydon CR0 9XN 01-680 5225

Equity Acc	186.0	195.8	....	—
Propty Acc	163.4	172.1	....	—
Int Acc	145.3	153.0	....	—
ManagdAcc	170.3	179.3	....	—
Spec Sits	129.8	136.7	....	—
Pen Int Acc	139.0	146.4	....	—
Pen Prp Acc	182.2	191.8	....	—
Pens Equity	218.7	230.3	....	—
Pen My Acc	168.5	177.4	....	—

Gilt Deposit. Index Fund prices available on request.

Crown Life
Crown Life House, Woking GU21 1XW. 04862-5033

PenMnyAcc	128.8	135.5	....	—
PenMnyInt	116.7	122.8	....	—
PE Coronet	185.5	194.9	....	—
BrwingEqFd	278.1	292.7	+6.0	—

Cash Acc	101.8	107.2	....	—
UK Eq Cap	111.8	117.7	+0.8	—
UK Eq Acc	115.0	121.1	+0.9	—
FxdIntCap	104.3	109.8	+0.7	—
FxdIntCap	107.7	112.9	+0.7	—
IndxLkdCap	86.7	91.3	−0.5	—
IndxLkdAcc	89.3	94.1	−0.5	—
Mixed Cap	105.2	110.8	+0.6	—
Mixed Acc	108.3	114.0	+0.5	—
O'seasFdAcc	104.7	110.3	+0.2	—
O'seas Acc	107.8	113.5	+0.2	—
Property Cap	95.1	100.2	....	—
Property Acc	98.0	103.2	+0.1	—

General Portfolio Life Ins Co Ltd
Crossbrook St, Cheshunt, Herts. Waltham Cross 31971

PrtfloFdInA	259.6	273.4	....	—
PrtfloEqCap	245.9		....	—
UK Equity	102.5	108.0	....	—
O'seas Equity	90.4	95.2	....	—

F.T. CROSSWORD PUZZLE No. 5,361

ACROSS
1 One of clutch scattered in inlet East to West — in Cowes? (5, 4)
6 He in charge is crazy (5)
9 Man with greeting to lift up (5)
10 I leave Eliza with venue that's exciting—a republic (9)
11 Speaker's repetitive disposition (5, 5)
12 Bargain in wood (4)
14 Salad stuff and French oil container (7)
15 Kind of piano—just! (7)
17 Guarantees right appears in results (7)
19 Upholder of principles with fibre, "number one" receding (7)
20 Man Elsie endlessly returns for? (4)
22 Thanks to side club he gets one around (4,6)
25 Intimidator having mistaken belief is in certain race (9)
26 One who has won unusually with hesitation (5)
27 Kind of song to reach the top? (5)
28 Uncompromising aggressive promotion about Hungary's capital (4-5)

DOWN
1 Lout lifting farm produce—eggs (5)
2 Dealers of cards he (heartless Len) shuffled (9)
3 Speculators distribute other rises (10)
4 Minister climbs in Scottish list—a young runner (7)
5 Worn around head and seen in dandy (7)
6 Prison labyrinth (4)
7 Relation in EEC melée (5)
8 Cleaner place to come up for a quack! (9)
13 Essentials in certain fields (5, 5)
14 Study of elements about the edge is a trial (9)
16 I can verge towards the ridiculous for feeling of resentment (9)
18 Unoriginal, like E. European perhaps (7)
19 The irritating person is swelling (7)
21 Observed returning in land I rule — in a word, sensational (5)
23 Describes district, science or dean (5)
24 Aim for net result (4)

Solution to Puzzle No. 5,360

REGAIN SPOILS / STEALTH SUMATRA / COMESROUND IONS / HEDGE ABOVEALL / MEDIATOR JOINT / ANTI LOSTCAUSES / ECLIPSE TIDINGS / YELLOW SEVERE

INSURANCE & OVERSEAS MANAGED FUNDS

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3 01-623 1288

Black Horse Man Fd	248 57		—	—
Managed Inv. Fd.	167 90	176 74	—	—
Property Fd	153 56	161 65	—	—
Fixed Interest Fd	149.17	157 03	—	—
Cash Fd	138 42	145 71	—	—
Income Fd	195 19	205 49	—	—
Extra Income Fd	189.39	199 36	—	—
Worldwide Growth Fd	222 71	234 50	—	—
Balanced Fd	197.49	207 51	—	—
Smlr Co's & Recy. Fd	226.65	238 58	—	—
Int. Technology Fd	250 17	263 34	—	—
Nth Amer. & Gen. Fd	143.51	151 57	—	—
Energy Int. Fd	106.85	112 48	—	—
Pacific Basin Fund	152.31	160 33	—	—

British National Life Assurance Co. Ltd.
Haylands Rd, Haywards Heath. 0444 414111

Managed	117.6	123.7	—	—
Property	121.2	127.6	—	—
Equity	127.2	133.9	—	—
International	128.0	134.8	—	—
Fixed Interest	106.2	110.7	—	—
Deposit	101.3	106.6	—	—
Managed Pen. Cap.	117.0	123.1	—	—
Property Pens. Cap.	122.2	128.6	—	—
Equity Pens. Cap.	121.9	128.3	—	—
Intnl. Pens. Cap.	131.0	137.9	—	—
Fixed Int. Pens. Cap.	102.0	107.3	—	—
Deposit Pens. Cap.	98 4	103.6	—	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 1		109.6	—	—
Retmt. Fed. Mar 6		275.2	—	—
Managed Pen Fund	190.5	200 5	—	—
Property Pen Fund	117.8	124.0	—	—
Index Lnkd Pen Fund	111.0	116.9	—	—
Managed	128.7	135.5	+0.5	—
Property	106.4	112.1	—	—
Gilt and Fixed Interest	110.6	116.5	+0.8	—
Index-Linked	95.2	100.3	−0.4	—
Equity	129.2	136 0	+0.6	—
Cash	106.6	112.3	—	—
Midland Bk. Unit Tst.	128.7	135.5	+0.5	—
Midland Bank Intnl.	148.3	156.2	−0.4	—

Cannon Assurance Ltd.

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ 01-628 8131

G.T. Pen Bond Fund	125.9	132 6	+2 2	—
GT Pen High Yld Fnd	131.2	138 2	—	—
GT Pen Far East Fnd	134.6	141 1	—	—
GT Pen N. Am Fd	125.1	131 7	—	—
GT Pen UK&G E. Fnd	150.6	158 6	—	—
GT Pen Worldwide Fnd	147.0	154.8	—	—
GT Pension Bnd Fnd	138.2	145.5	+2.8	—
GT Pen High Yld Fd	152.1	160 2	—	—
GT Pen Far East Fd	167.1	175 9	—	—
GT Pen N. Am. Fd	175.1	184 4	−0 1	—
GT Pen UK & G.E. Fd	174 7	183.9	−0 1	—
GT Pen Worldwide Fd	157.7	166.1	—	—

Prices for Accum. Units only.

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	170 6	179 6	—	—

General Portfolio Life Ins. PLC
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.		250.7	—	—
Portfolio Fd. Ind.		211.2	—	—

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

Gresham Unit Ass. Ltd.
2-6, Prince of Wales Rd. B'mouth. 0202 767655

Managed Fd	279.5	294.5	—	—
Money Fd	157.8	166.1	—	—
Equity Fd	231.0	243.4	—	—
Fixed Int. Fd	120.0	126.5	—	—
Property Fd	176.2	185.7	—	—
Managed Pen. Fd	274.7	289.5	—	—
Equity Pension Fd	175.9	185.3	—	—
Fixed Int. Pen. Fd	172.0	181.2	—	—
High Yield Pen. Fd	169 4	178.5	—	—
Money Pension Fd	131.0	138.0	—	—
Property Pension Fd	129.9	136.9	—	—
Gartmore/Fleming				
American & Gen. Fd	226 1	238 3	−1 3	—
Income Fd	213.2	224.6	−0.5	—
Int'l. Growth Fd	267.3	282.7	−0.3	—
Capital Fund	239.2	251.0	−0.3	—
Recovery Fund	161.9	170.6	−0.6	—
Japan & Gen Fd	99.6	104.5	+0 4	—

Growth & Sec. Life Ass. Soc. Ltd.

Lloyds Life Assurance—cont.
Gartmore Funds—Series A

American Mar 6	152 9	161 0	—	—
Australian Mar 6	110.9	116.8	—	—
British Mar 6	142.5	150.1	—	—
Commodity Mar 6	136 9	144.2	—	—
Extra Inc Mar 6	133.5	140.6	—	—
Far Eastern Mar 6	128.3	135.1	—	—
Gilt Mar 6	106 0	111.6	—	—
Global Sit Mar 6	187.2	197.3	—	—
Gold Share Mar 6	88.8	93.5	—	—
High Inc Mar 6	137 8	145 1	—	—
Income Mar 6	168 4	177.3	—	—
Japan Mar 6	178.7	188.2	—	—
Oil & Energy Mar 6	125 8	132.5	—	—
Special Sits Mar 6	149 7	157.6	—	—
UK Smllr Cos Mar 6	143.5	151.1	—	—
Man Gwt Mar 6	160 9	169 4	—	—

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF 01-404 0393

"Asset Builder"	67 6	71.6	—	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr Feb 1	66.9	71 1	—	—
MM Flexible Feb 1	56 8	59 9	—	—
Fixed Interest Feb 1	56.8	59.9	—	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179

See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap	317 4	—	+1 8	—
Invest. Tst. Fd. Acc.	341.2	—	+1 9	+15 9
Property Fund Cap.	117.9	—	−0 1	—
Property Fund Act.	126.3	—	—	+5.2
Flexible Fund Cap.	191.7	—	+0 4	—
Flexible Fund Act.	205 2	—	+0 4	+5.9
Fixed Int. Fd. Cap.	183 4	—	+0 9	—

Property Growth Assur. Co. Ltd.
Leon House, Croydon CR9 1LU 01-680 0606

Property Fund		291 3	—	—
Property Fund (A)		282 9	—	—
Agricultural Fund		1,143.8	—	—
Agric. Fund (A)		1,112 5	—	—
Abbey Nat. Fund		233.0	—	—
Abbey Nat. Fd. (A)		231 9	—	—
Investment Fund		144.8	+2 3	—
Investment Fund (A)		141 6	+1 9	—
Equity Fund		457.6	+2 1	—
Equity Fund (A)		448 8	+2 1	—
Money Fund		221 9	—	—
Money Fund (A)		217.7	—	—
Actuarial Fund		226.0	—	—
Gilt-edged Fund		197 0	+0 5	—
Gilt-Edged Fd. (A)		197 0	+0 5	—
Retire Annuity		362.1	—	—
Immed. Ann'ty		192.0	—	—
International Fd		264 9	+2.3	—
Bldg. Soc. Life Fd.		108.0	—	—

Property Growth Pensions & Annuities Ltd.

All Wther Ac. Uts.	272.5	286.8	—	—
Inv. Fd. Uts.		278.4	—	—
Pension Fd. Uts.		262 1	—	—
Conv. Pens. Fd.		308.3	—	—
Cnv. Pns. Cap. Ut.		226.3	—	—
Man. Pens. Fd.		364 7	+2 8	—
Man. Pens. Cap. Ut.		280 1	+2.1	—
Prop. Pens. Fd.		289 2	—	—
Prop. Pens. Cap. Uts.		216.2	—	—
Bldg. Soc. Pen. Ut.		266.4	—	—
Bldg. Soc. Cap. Ut.		202 1	—	—
Gilts Pens. Fd.		178.0	+0.6	—
Gilts Pens. Fd. Cap.		153 6	+0 5	—
Equity Pens. Fd.		289.2	—	—
Equity Pens. Fd. Cap.		249 9	—	—
Intl. Pens. Fd.		103 1	—	—
Intl. Pens. Fd. Cap.		102.2	—	—

Providence Capital Life Assc. Co. Ltd.
30 Uxbridge Road, W12 8PG. 01-749 9111

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ. 031-225 2552.

Managed	212 8	224.0	+1 6	—
Property	155.0	163.2	+0 1	—
Equity	257.6	271.2	+3 8	—
International	200 3	210.9	−0 9	—
Fixed Interest	176 8	186.2	+1.1	—
Index Linked	94.9	99 9	−0 9	—
Cash	133 4	140.5	—	—
Pension Managed	250 6	263.8	+1.3	—
Pension Property	158.7	167.1	—	—
Pension Equity	308 1	324 4	+2.8	—
Pension Intl	239 4	252 1	−0.6	—
Pension Fxd. Int	187 3	197 2	+1 3	—
Pension Index Linked	95 9	101.0	−0 9	—
Pension Cash	152.0	160 1	—	—

Sun Alliance Insurance Group
Sun Alliance House, Horsham 0403 64141

	Series (2)			(1) Bid
Managed Fund	251 4	264.7	+2.2	251.9
Index Linked Fund	111.0	116 9	−0.2	111.7
Equity Fund	321.6	338 6	+2.3	322.3
Fixed Interest Fund	207 9	218 9	+1.2	208 4
Property Fund	219 7	231 3	—	220.3
International Fd	186.9	196.8	+2.4	187.3
Deposit Fund	146.8	154.6	+0 1	147 1
Int Bond Mar 7	—	—	—	£22 53

Series (2) Prices are for policies issued after 11/7/1982. Series (1) These are bid prices for earlier policies.

Individual Pension Funds

Managed	160 1	168 6	+1 5	—
Index Linked	129 0	135.8	−0.2	—
Equity	164 1	172.8	+1 6	—
Fixed Int.	173 5	182.7	+1.4	—
Property	117 2	123 4	—	—
International	157.0	165 3	+2 4	—
Deposit	116 7	122 9	—	—

*Group Pension funds—Prices available on request.

Sun Life of Canada (UK) Ltd.
2, 3, 4, Cockspur St., SW1Y 5BH 01-930 5400

Maple Leaf Plans

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Worldinvest Inc£	$117 89	118.49	—	6 78

Valued weekly on Wednesdays.

Barclays Unicorn International
1, Charing Cross, St. Helier, Jersey. 0534 73741

Unigilt Trust	45.0	46 9		10.80
Unidollar Trust	$15.86	16 97	−0.28	1.30
Unibond Trust	$92.10	93 95		10 7

1, Thomas St, Douglas, Isle of Man 0624 23252

Uni-Australian Tst	84.3	90 7	—	1.20
Uni-Aust Mineral Tst.	72.5	78.0	—	1 40
Uni-Pacific Trust	194 0	208.7	+5 5	—
Uni-International Tst	75.2	80 9	+1.5	1 00

Bishopsgate Commodity Ser. Ltd.
P O Box 42, Douglas, I o M 0624-23911

ARMAC* Feb 6	$58 85	62.57		—
COUNT** March 5	£3 795	4 025	+0.002	1.30
CANRHO** Feb 6	£2 468	2.618		—

Original issue. *$10 and **£1. Next deal April 2.

Bridge Management Ltd.
GPO Box 590, Hong Kong

N'bshi Fb 29 (10for1)	Y4,610	4,940		4.814
Nippon Fd March 7	$33.32	34.81	+1.98	0.86

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St Helier, Jersey, C.I. 0534-73114

U.S. Dollar Denominated Funds

AmSmallerCos Fd	$1 981	2.130	−0.012	—
Dollar Inc Fd	0 792	0 847	−0.001	11.00
$ Mngd Curr'cy Fd	$9 74	10.26	+0.04	6 25
First Intnl	$21.23	22 42		—
Gold Fund	$1.240	1.352	+0.004	3 92
Jap Dollar Perf	$0 964	1.037	−0.004	—
Normandia In $Fd†	$12.03	12 94	+0.02	—
Universal Grwth Fd	$0 948	1 019	−0.001	—
World of Leisure	$0.95	1 000		—
World of Tech	$0 789	0.846	−0.002	—

Hambro Pacific Fund Mgmt. Ltd.
2110, Connaught Centre, Hong Kong

Far East March 7	$4 68	5 04	+0 18	—
Japan Fd Mar 5	$17 36	18 64	—	—

Hambros Fd. Mgrs. (C.I.) Ltd.
P O Box 86, Guernsey 0481-26521

Capital Reserve Fund	17 43	17 44	—	0 23
C I Fund	375 4	399.8	—	2 17
Special Sits. Fund	152 0	160 0	—	1 75
Sterling Income Fund	112 1	117.0	+0 16	10.36
Dollar Income Fund	$1.021	1 067	−0.001	11.25
Tran. Nat. Trust	$1.161	1.223	+0.017	2.45
Intnl. Bond	$101.93	107.54	—	10 16
Int. Equity	$21.62	22.76	—	0.53
Int. Svgs. 'A' $US	$1.72	1.81	—	—
Int. Svgs. 'B'	$2 40	2 53	—	—
Galleon Ass Fd A	$1.153	1.159	—	—
Amer Spec Accts	$0 87	0 92	—	—
Amer. Equity Inc	$7 5	50.0	—	6.50

Henderson Admin. & Man. (Guernsey)
PO Box 71, St. Peter Port, Guernsey 0481 26541

American (US cents)	145 3	154.5	+1.7	—
Nrl. Res. (U.S. cents)	131.8	140.2	—	—
Gilt Fund	£10.69	11 34	—	11.02
Prmr Res. Prop.	£0.99	1 06	—	—

Henderson Baring Group
1901, Edinburg Tower, Hongkong.

Australia	$11 19	12.06		2 10
Hong Kong	$12.04	12.90	+0.02	2 72
Japan Tech	$32 80	35.04	—	—
Japan Fund	$41.09	43 90	—	0 42
Malay Sing.	$23 48	25.29	+0 19	1.30
Pacific Fd	$14 957	16.754	—	1.45
Pacific Intl Fd	$11.16	11.72	—	—
Bond Fd	$10.848	11.390	—	10.563

Hill-Samuel & Co. (Guernsey) Ltd.
8 Le Febvre St., St. Peter Port, Guernsey, C I.

Guernsey Tst.	322.9	345 4	+2.5	2 34

Hill Samuel Investment Mgmt. Intnl.
P O Box 63, Jersey 0534 76029

UK Equity (C I Fd)	214.9	230.0	—	2.5
UK Gilt Lty Fnd Ind	111.0	117 0	—	10.5
Int Man (Growth Fd)	177 6	191.3	—	—
Int. Currency Fund				
D Mark		DM43 45	+0.01	—
£ Sterling		£11.63	—	—
Swiss Franc		SF34 22	—	—
Jap Yen		Y3,565	—	—

Richmond Life Ass. Ltd.
4 Hill Street, Douglas, IoM. 0624 23914

Coin Trust	20.7	22.2		—
Diamond Bond	48 8	52 2		—
Gold Bond	245 6	261.0	−0.9	—
Sterling Deposit Bd.	174.52	183 58	+0 03	9 12
UK Gilt Fund	169 2	179.9	−0.5	—

Rothschild Asset Management (C.I.)
St Julian's Ct, St Peter Pt, Guernsey. 0481 26741

OC America Fd.*	$3 15	3.35	+0.16	1.30
OC Sm Co**	198 8	211.4	—	1.48
OC Commodity†	124 7	132.6		2.29
OC $ Comdty*	$37.21	39 44	+1.89	1.75
OC HongkgFd††	$40 41	42.98	+1 47	—

*Prices March 21. Next dealing March 7. †Prices March 1. Next dealing Mar 14. ***Prices Mar 1. Next dealing Mar 15. ††Dealings every Wednesday.

OC Intl Reserves Ltd. 0481-26741 26331
See adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

Rothschild Australia Asset Mgt Ltd.
17 Bridge St. Sydney 2000, Australia

Five Arrows Aust. Eq.	A$1.45	1 49	—	6.3

Royal Bank of Canada Funds
RBC Invest Managers Ltd
PO Box 246, St Peter Port, Guernsey 0481 23021

Intl Income Fd	$9 84	10 48	—	—
Intl Capital Fd.	$15 72	17 05	—	—
North America Fd.	$6.46	7 05	—	—
Far Eastern Pacific Fd	—	$10.45	—	—
RBC Intl Currencies Fd Ltd				
U S $		$22 17	+0.01	—
Canadian $		$27.57	+0.02	—
£ Sterling		£11.15	—	—
D-Mark		DM52 61	—	—
Swiss Francs		SwFr41.25	—	—
Japanese Yen		Y6,381	+2 0	6.381
Managed Fund		$22.03	+0.15	—

Daily Dealings

Royal Trust Intnl. Fd. Mngt. Ltd
PO Box 194, St Helier, Jersey. 0534 27441

Sterling Fxd Int Fd.	£0 853	0 903	—	8 86
International Secs.	$1 146	1.233	—	0 89
International Bond	$0.853	0 903	—	10 63

Prices on February 29. Next dealing March 7.

SCI/Tech S.A.

COMMODITIES AND AGRICULTURE

Sugar values under pressure

BY RICHARD MOONEY

WORLD SUGAR values came under renewed pressure yesterday as a weak performance in New York overnight prompted trade, hedge and step-loss selling on the London futures market.

In the morning the London daily raw sugar price was fixed £4 down at £108.50 a tonne and on the futures market the May position ended the day £3.75 down at £115.875 a tonne. Traders said the fall was partly due to the increasingly bearish appearance of chart patterns following the recent decline, which has now taken the May quotation nearly £40 below the January peak.

Prospects for another production surplus this season, against a background of extremely high world stocks, have been a constant disincentive to buyers. In its latest market report, London trade house Gill and Duffus puts the surplus at around 300,000 tonnes. Though this is a 100,000 tonnes reduction from the surplus forecast in the last Gill and Duffus report, it still suggests a world stock level at the end of the 1983-84 season equivalent to nearly five months consumption.

Yesterday's EEC export tender in Brussels did little to relieve the market gloom. Authorisation of 35,000 tonnes of white sugar exports and 40,000 tonnes of raws was in line with expectations, as was the level of export subsidies.

● Thailand's overshipments in defiance of export quotas under the International Sugar Agreement (ISA) mean that its true entitlement for 1984 ISA export quotas is minus 33,000 tonnes, Gill and Duffus says.

"A number of members of the present ISA have suggested making an example of Thailand for its repeated transgressions of the basic export tonnages allotted to it under the 1977 agreement," the Gill and Duffus market report says.

It says one of the problems of the agreement is the generally low esteem in which it is held because of such failures in enforcement.

Shortage pushes zinc up

BY JOHN EDWARDS, COMMODITIES EDITOR

A WORSENING shortage of immediately available supplies drove zinc values higher on the London Metal Exchange yesterday. The cash price closed £15.5 up at £703.5 a tonne, widening its premium over the three months quotation which gained £9.25 to £679.75.

The upward trend was encouraged by trade buying and some heavy "borrowin" (buying cash and selling for forward delivery simultaneously). The bulk of the LME warehouse zinc stocks, which rose by 1,625 to 71,450 tonnes last week, is believed to be tightly held and there is a world scarcity of special high grade zinc. So previous sellers are having to pay high premiums to cover their positions.

Lead was boosted in after hours trading by the announcement that Asarco had raised its U.S. domestic selling price by 1 cent to 25 cents a lb.

Copper, however, was depressed by the easier trend in gold, which fell back below $400 an ounce. The bullion spot price was $3.75 down at $399.75.

Tin prices advanced for the sixth trading day in succession. Three months standard grade tin closed £65.5 up at £8,747.5 a tonne—a rise of £230

Cobalt prices reach 2½-year record

FREE MARKET cobalt remained strong, putting on $1 from yesterday's levels, trading in the range $11.90 to $12.50 per pound for broken cathodes, to reach the highest level since September 1981, and compared with around $7.20 to $7.30 indicated a week ago.

The advance reflects continued lack of offers from major African producers below the $12.50 level, which was the official list price ruling in February 1982. The market fell below $5 in late 1983, based on a heavy build-up in producer stocks which have since been gradually absorbed and left a finely balanced supply-demand position.

● **POTATO CONSUMPTION** in Britain is on a rising trend. Estimates published yesterday by the Potato Marketing Board estimated total consumption over the eight months ended January at 3.94m tonnes, up from 3.81m in the same 1982-83 period, and 3.77m in June/January 1981-82.

The January total was 510,000 tonnes, up from 493,000 tonnes a year earlier but down from the 521,000 tonnes recorded in the 1981-82 period.

● **SOUTH AFRICA** may have to import wheat next year if the drought continues and next season's crop is as poor as the present one. Mr Dennis van Aarde, Wheat Board chairman, said. The rainy season in the Orange Free State and the Transvaal has faltered and is nearly over, leaving the soil without moisture and difficult for planting.

Rains fell over nearly all of South Africa's maize triangle last week, but were too late to aid the already maturing corn crop, the joint agricultural weather facility of the Departments of Agriculture and Commerce said.

Battle for choice of agricultural options

Hopes are high for a new futures programme. Nancy Dunne reports

U.S. COMMODITY futures exchanges are predicting that a large increase in the volume of trading activity will result from the introduction of agricultural options later this year, probably in the autumn.

However, there is a battle looming over which option contracts are chosen by the different exchanges.

Under the trial programme each exchange can choose two agricultural option contracts each, but there is likely to be considerable duplication. The Kansas City, Minneapolis and Mid-America exchanges are all expected to choose wheat futures options.

But the Chicago Board of Trade, which accounts for some 75 per cent of total wheat futures trading activity, has yet to decide whether to introduce a wheat or maize (corn) option contract.

The Chicago Board of Trade has definitely decided to introduce a soyabean option contract, but is concerned about losing support for its wheat market to other exchanges.

"We are not about to have someone else come into our market," Mr Charles Clement Jnr, chairman of the Board of Trade agricultural options subcommittee, commented here.

Chicago Mercantile Exchange officials hope to choose within the next two weeks whether to launch options on live cattle, feeder cattle, hogs or pork bellies, Mr Yeutter said.

All agree that the key to the success of agricultural options will be educating professionals and farmers about options usage. The Board of Trade is expected to spend $2m to $3m in the next few years "in the most aggressive educational effort ever made by an exchange," Mr Clement said.

"You have to get these people into the water," said Mr Kalo Hineman, who helped design the Commodities Futures Trading Commission's options programme.

He contended: "The teachable moment is here," because no longer are farmers' land values increasing, nor can they borrow at low interest rates. The future of the U.S. price support programme, under consideration this year in Congress is also uncertain," he said.

Mr Hineman cautioned that agricultural options cannot, as some in Congress suggested, replace the farm programme. "Even with agriculture options you can hedge only at the levels that can be achieved by the market," he said. "You cannot keep grain off the market through an agricultural options programme."

The Chicago exchange is hoping that CFTC will not take long before expanding the test programme beyond the two-contract limit.

"We hope before long the constraints on the number of all-option contracts will be lifted," said Mr Clayton Yeutter, president of the Chicago Mercantile Exchange, at the ninth annual futures industry conference this week in Boca Raton, Florida.

● Meanwhile, officials at the New York Mercantile Exchange (Nymex) disclosed that discussions have been held with the New York Cotton Exchange for inter-trading on certain contracts.

Under the poposed deal, members of Nymex would be able to trade the liquid propane gas contract on the Cotton Exchange, while the cotton members would be permitted to deal on a new potato futures contract, to be launched by Nymex subject to approval by the CFTC.

Both exchanges are under the same roof at the World Trade Center in New York. The Cotton Exchange has contracts for cotton, orange juice and propane gas. Nymex nowadays is best known for its energy and platinum futures contracts. Originally its biggest contract was potato futures, but interest has declined in recent years in spite of the introduction of a cash settlement last year.

Nectarine shipment heralds new export era

BY SELWYN PARKER IN AUCKLAND

A CONTAINER-FULL of nectarines, shipped by sea from New Zealand to the U.S., may mark a new era in the long-distance export of perishable commodities such as fruit, vegetables, and even meat.

The nectarines were freighted in an experimental "organic environment" developed by scientists, growers and the Shipping Corporation of New Zealand, and are now being distributed in the U.S. a month after harvest.

Normally the nectarines would have been air-freighted at about twice the cost. But apart from slight bruising on a few of the fruit, the shipment went off perfectly and now fruit exporters see a better chance of competing on price in distant markets within the Pacific Rim.

Eventually, says Mr John Lovegrove, Shipping Corporation's marketing and development manager, this purpose-built environment could be adapted to commodities like meat and fish, which are vulnerable to surface contamination en route. Once the process is perfected, he says, "any commodity could take advantage of it."

Fresh meat such as lamb would have a premium price in distant markets and this new method of exporting could make dramatic changes to New Zealand's meat export trade.

The shipment of nectarines followed the debut export of fresh asparagus to Japan a few months ago. After another year or so of trials, the Shipping Corporation hopes to put the project, which has been three years under development, into full-scale operation.

"We would like to think that we can commercialise the process some time next year," Mr Lovegrove said.

The fruit and asparagus travelled in containers which kept them fresh in a combination of temperature, humidity and gas concentrations designed to extend the commodities' shelf-life.

Although perishable products can be shipped around the Pacific Rim under refrigeration, it is difficult to guarantee their good condition on arrival.

The atmosphere, or "bubble," has to be altered according to the nature of the product, and Mr Lovegrove said that some fine tuning is needed yet.

According to Mr W. M. Nicol of the Fruit Federation's export division, the "controlled atmosphere" shipping service provides fruit-growers with a fair chance of new markets. "We have difficulty with getting past Australia if you accept that we are dependent on air freight for New Zealand horticulture," he said.

Pig farmers ask for more say in promotions

By Richard Mooney

PIG FARMERS want more control over promotion of their products by the UK Meat and Livestock Commission's Meat Promotion Executive.

They would be willing to step up their contribution to promotion work if they were sure the money was spent cost-effectively, said Mr Grenville Welsh, chief executive of the National Pig Breeders' Association.

He said the association welcomed the commission's recent decision to review the effectiveness of the executive's work. Association members were urging that greater account should be taken of their views, he added.

"We believe it is essential that the pig industry—which contributes more than half the executive's funds—should have effective control over the spending on pigmeat promotion," Mr Welsh said.

"We hope to have consultations with the review body and processors and other organisations."

He said the success of specialist pigmeat promotion bodies in other countries could provide an example for the British industry to follow.

World cereal output drops

WORLD CEREAL production in 1983 was 1,628m tonnes, 75m tonnes less than the record 1982 output but 9m higher than its previous forecast, the United Nations Food and Agriculture Organisation (FAO) said in its February food outlook publication, *Reuter reports*.

It said global carryover stocks at the end of the 1983-84 crop season would fall by 82m tonnes to 260m tonnes.

PRICE CHANGES

In tonnes unless stated otherwise	Mar. 7 1984	+ or —	Month ago
Metals			
Aluminium	£1100	....	£1100
Free Mkt	$1550/1580	+35	$1540/570
Copper			
Cash h Grade	£969.25	—6.00	£993.5
3 mths	£1009.75	—6.50	£1014.75
Cash Cathode	£980.00	—3.50	£982
3 mths	£999.50	—4.00	£1003.5
Gold troy oz.	$399.75	—3.75	$386.25
Lead Cash	£299.0	—3.5	£284
3 mths	£305.12	—3.15	£293.35
Nickel	£5026.64	....	£4946
Free Mkt	203/223c	....	205/225c
Palladium oz	$159.75	—0.75	$159.50
Platinum oz	£274.30	—1.25	£276.35
Quicksilver†	$286/305	+5	$295/300
Silver troy oz	669.55p	—7.10	637.00p
3 mths	683.80p	—7.88	650.85p
Tin cash	£8620.50	+57.8	£8590
3 months	£8720.50	+66.0	£8738.5
Tungsten	$75.59	....	$77.06
Wolfram 22.04lb	$76/80	....	$75/78
Zinc	£703.5	+15.5	£720.5
3mths	£679.75	+9.25	£713.5
Producers	$1,050	....	$1050

	Mar. 7 1984	+ or —	Month ago
Oils			
Coconut (Phil)	$1120	—20	$1265
Groundnut	‡	....	‡
Linseed Crude	‡	....	£428
Palm Malayan	$700	+20	$810
Seeds			
Copra Phil	$725w	....	$800
Soyabean (U.S.)	$314.90	+3.85	$295.75
Grains			
Barley Fut. May	£121.50	+0.85	£120.15
Maize	£147.50	....	£147.50
Wheat Fut. May	£125.80	+0.05	£122.60
No2 Hard Wint	‡	....	‡
Other commodities			
Cocoa ship't*	£1796.5	....	£1931
Futures May	£1676.5	—15.0	£1860
Coffee Ft. May	£1989.0	—0.5	£1902
Cotton A Index	88.00c	—0.35	87.80c
Gas Oil Apr	$251.25	+1.00	$244
Rubber (kilo)	80.00p	—1.00	87.25p
Sugar (raw)	£108.5w	—4.00	£121.5
Woolt'ps 64s	464 pkilo	....	472pkilo

‡ Unquoted. u April. x May. y Feb-March. w March-April. † Per 75 lb flask. * Ghana cocoa. n Nominal. c Cents per pound.

LONDON OIL

A shortage of prompt physicals kept the market firm through the morning, with prices moving steadily higher until the break. Weakness in New York again put pressure on the market during the afternoon and the market closed near the lows, reports Premier Man.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.60-28.75	+0.02
Iranian Light	27.75-27.80	—
Arab Heavy	26.70-26.85	+0.02
North Sea (Forties)	29.85-30.00	—
North Sea (Brent)	29.95-30.05	—0.02
African (Bonny L'ht)	29.85-30.00	—
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	283-287	+0.5
Gas Oil	261-264	+5
Heavy fuel oil	175-180	—

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Apr	30.90	—0.1	30.90-30.90
May	30.60	—0.05	30.60-30.60
June	30.00-31.00	—	—
July	30.10	—0.25	30.10-29.90
Aug	29.80-30.75	—	—
Sept	29.50-30.75	—	—

Turnover: 8 (71) lots of 1,000 barrels.

GAS OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Mar	253.50	+2.50	255.50-51.00
April	251.25	+1.00	253.75-51.25
May	248.50	—0.50	252.25-48.25
June	247.25	—0.50	251.00-47.25
July	247.50	—0.50	251.25-48.25
Aug	249.75	—0.50	252.00-51.25
Sept	252.25	+0.25	255.50-52.75
Oct	254.50	+0.50	256.00-55.00
Nov	256.50	+0.50	—

Turnover: 2,683 (2,913) lots of 100 tonnes.

GOLD MARKETS

Gold fell $3½ an ounce from Tuesday's close in the London bullion market yesterday to finish at $399¼-400. The metal opened at $403½-404 which proved to be its best level of the day and eased to touch a low of $397½-398. The weaker trend was sparked off by U.S. trading with a fall below $400 prompting stop-loss selling.

In Paris the 12½ kilo bar was fixed at FFr 101,200 per kilo ($401.94 per ounce) in the afternoon compared with FFr 101,000 ($401.71) in the morning and FFr 102,150 ($402.50) on Tuesday afternoon.

LONDON FUTURES

EUROPEAN MARKETS

BRITISH COMMODITY PRICES

BASE METALS

ZINC values rose sharply on the London Metal Exchange reflecting the tightening squeeze on nearby supplies. Forward metal gradually gained ground throughout the day to close at £686.5. LEAD responded to the producer price announced in the afternoon by Amax

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3146-53	+48.5	3160-2	+58.5
3 months	3214-6	+40	3231-2	+58

SILVER

COPPER

TIN

LEAD

ZINC

ALUMINIUM

COCOA

COFFEE

GRAINS

POTATOES

profit taking. New crops were a little steadier in dull trading, reports Muirpace.

Follow through buying during the morning firmed prices to £214, basis April before profit taking eased levels

MEAT/FISH

565.0, 565.0-564.0; May 577.0, 578.0, 578.0-578.0; July 588.0, 588.5, 589.0-588.5; Oct 578.5, 579.0, 579.0-579.0; Dec 584.0, 585.0, 584.6-584.0; March 596.0, 597.0, 596.5-595.0; May 603.0, 607.0, nil; July 20.0, 627.0, nil. Sales: 43.

RUBBER

SOYABEAN MEAL

SUGAR

COTTON

WOOL FUTURES

INDICES

AMERICAN MARKETS

Precious metals weakened on the general sell off in the financial markets touching off stop loss orders in the process. Copper prices were sharply lower on general liquidation and arbitrage selling off a week pound sterling. Aluminium prices were also caught in the negative psychology of the metals and currency markets and finished moderately lower. Sugar prices continued under pressure from commercial house liquidation and trade selling in anticipation of heavier crops. Coffee prices collapsed on indications that the largest holders of long positions liquidated their holdings in March thus alleviating the fears of a further potential squeeze on the March. Heating oil prices failed to hold the gains following a constructive A.P.I. report and sold off due to an overbought ... were moderately ... activity accou... downside ...

NEW YORK

ALUMINIUM 40,000 lbs, cents/lb

	Close	High	Low	Prev
March	7105	7110	7060	7190
April	7150	—	—	7220
May	7200	7255	7170	7275
July	7330	7375	7340	7400
Sept	7445	7500	7470	7515
Dec	7615	—	—	7685
Jan	7670	—	—	7740
March	7785	7850	7850	7850

CHICAGO

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar recovers from weak start

The dollar finished on a firmer note in currency markets yesterday in reaction to comments made by Mr Paul Volcker, chairman of the U.S. Federal Reserve. Speaking in Washington he emphasised the current strength of the U.S. economy and this rekindled fears that U.S. interest rates may be increased in order to control monetary expansion.

The dollar had started at a lower base, following selling in New York on Tuesday. It touched a low of DM 2.5320 against the D-mark but recovered to finish at DM 2.5560 compared with a previous close in London of DM 2.5535. It was also firmer against the Swiss franc at SwFr 2.1145 from SwFr 2.1095. It rose from a low of Y221.5 against the yen to finish at Y223.10, slightly down from Y223.25 on Tuesday. Similarly against the French franc it came back to finish at FFr 7.8575 compared with FFr 7.8850 previously. On Bank of England figures, the dollar's trade weighted index fell to 124.6 from 124.8.

STERLING — Trading range against the dollar in 1983-84 is 1.6245 to 1.3955. February average 1.4409. Trade weighted index 81.4 against 81.3 at noon and the opening and compared with 81.6 on Tuesday and 84.6 six months ago.

Sterling tended to move in line with the dollar for much of the day. Receding fears on Middle East oil supplies and lower UK interest rates inhibited any firmer trend independent from the dollar. It opened at $1.4860 and touched a low of $1.4735 before coming back to finish at $1.4760, a fall of 90 points. It recovered from a low of DM 3.7550 against the D-mark to close at DM 3.7750, still down from DM 3.7950 on Tuesday.

Elsewhere it closed at SwFr 3.1250 from SwFr 3.1350 and Y329.5 from Y331.75. It was also lower against the French franc at FFr 11.5950 from FFr 11.7050.

D-MARK — Trading range against the dollar in 1983-84 is 2.8425 to 2.3320. February average 2.7000. Trade weighted index 128.3 against 125.5 six months ago.

The dollar was fixed at DM 2.5391 against the D-mark at yesterday's fixing in Frankfurt down from DM 2.5589 on Tuesday. There was no intervention by the Bundesbank. The fixing level was a little above the morning low of DM 2.5355 and although there was no change in sentiment, the market appeared to be cautious of pushing the dollar down too fast. Much will depend on the dollar's performance after the opening of U.S. markets. Sterling was fixed at DM 3.7660 down from DM 3.7960 while the Belgian franc improved to DM 4.8850 per BFr 100 from DM 4.8820.

BELGIAN FRANC—Trading range against the dollar in 1983-1984 is 57.91 to 45.90. February average 55.30. Trade weighted index 91.1 against 91.0 six months ago.

The Belgian central bank spent the equivalent of BFr 18.1bn in the week ending March 5 in support of the Belgian franc. This was up from the previous week's total of BFr 15.8bn. Most of the intervention occurred toward the end of the week as speculative pressure built up and resulted in precuationary switching out of the Belgian unit. Most of the support was directed at keeping the franc within its cross-rate band against the D-mark. Although weak, the franc has so far resisted attempts to push it beyond its divergence spread. The dollar was fixed at BFr 52.00 from BFr 52.37 and the D-mark at BFr 20.4660, down from BFr 20.4697½.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU March 7	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.6517	+1.67	+1.64	±1.5447
Danish Krone	8.14104	8.17659	+0.44	+0.41	±1.6425
German D-Mark	2.24184	2.23026	−0.52	−0.55	±1.0842
French Franc	6.87456	6.88029	+0.08	+0.05	±1.4052
Dutch Guilder	2.52595	2.51818	−0.31	−0.34	±1.4964
Irish Punt	0.72569	0.728013	+0.32	+0.29	±1.6699
Italian Lira	1403.49	1391.05	−0.89	−0.89	±4.1506

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ In New York latest

	March 7	Prev. close
Spot	$1.4730-4740	$1.4835-4845
1 month	0.11-0.14 dis	0.12-0.14 dis
3 months	0.49-0.54 dis	0.45-0.47 dis
12 months	2.60-2.68 dis	2.40-2.46 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

March 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4735-1.4895	1.4755-1.4765	0.10-0.14c dis	−0.97	0.45-0.50dis	−1.29
Canada	1.8575-1.8710	1.8590-1.8600	0.08-0.18c dis	−0.84	0.46-0.56dis	−1.10
Nethlnd.	4.24-4.28½	4.24½-4.25½	1½-⅞c pm	3.17	3¼-2⅞ pm	2.94
Belgium	76.90-77.55	77.05-77.15	33-43c dis	−5.91	85-95 dis	−4.67
Denmark	13.79-13.90	13.83-13.84	2¼-3¼ore dis	−2.82	7⅞-8⅞ dis	−2.42
Ireland	1.2210-1.2360	1.2225-1.2235	0.26-0.38p dis	−3.14	1.05-1.21dis	−3.69
W. Ger.	3.75½-3.79	3.77-3.78	1½-⅞pf pm	3.58	3⅞-3 pm	3.44
Portugal	189.00-191.00	189.25-189.75	275-875c dis	−28.91	725-1405dis	−22.48
Spain	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Belgian rate is for convertible francs. Financial franc 78.35-78.45. Six-month forward dollar 1.05-1.10c dis, 12-month 2.45-2.55c dis.

THE DOLLAR SPOT AND FORWARD

March 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4735-1.4895	1.4756-1.4765	0.10-0.14c dis	[illegible]	[illegible]	[illegible]
Ireland†	1.1980-1.2100	1.2000-1.2010	0.24-0.21c pm	[illegible]	[illegible]	[illegible]
Canada	1.2565-1.2605	1.2600-1.2605	0.03-0.01c pm	[illegible]	[illegible]	[illegible]
Nethlnd.	2.8825-2.8840	2.8780-2.8800	1.00-0.90c pm	[illegible]	[illegible]	[illegible]
Belgium	51.80-52.25	52.23-52.25	20-24c dis	[illegible]	[illegible]	[illegible]
Denmark	9.3039-9.3775	9.3725-9.3775	0.65-1.15ore dis	[illegible]	[illegible]	[illegible]
W. Ger.	2.5320-2.5630	2.5555-2.5565	1.01-0.96pf pm	[illegible]	[illegible]	[illegible]
Portugal	128.25-129.40	128.90-129.40	125-325c dis	[illegible]	[illegible]	[illegible]
Spain	146.30-147.35	147.20-147.30	10-115c dis	[illegible]	[illegible]	[illegible]
Italy	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Norway	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
France	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sweden	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Japan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Austria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Switz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 53.75-53.85.

OTHER CURRENCIES

Mar. 7	£	$		£ Note Rates
Argentina Peso	[illegible]	[illegible]	Austria	[illegible]
Australia Dollar	[illegible]	[illegible]	Belgium	[illegible]
Brazil Cruzeiro	[illegible]	[illegible]	Denmark	[illegible]
Finland Markka	[illegible]	[illegible]	France	[illegible]
Greek Drachma	[illegible]	[illegible]	Germany	[illegible]
Hong Kong Dollar	[illegible]	[illegible]	Italy	[illegible]
Iran Rial	[illegible]	[illegible]	Japan	[illegible]
Kuwait Dinar (KD)	0.430-0.431	0.29085-0.29100	Netherlands	4.23½-4.27½
Luxembourg Fr.	77.05-77.15	52.23-52.25	Norway	10.90-11.01
Malaysia Dollar	3.3720-3.3790	2.2835-2.2865	Portugal	189-196
New Zealand Dlr.	2.1915-2.1965	1.4860-1.4880	Spain	212-222
Saudi Arab. Riyal	5.1945-5.2010	3.5100-3.5105	Sweden	11.25-11.36
Singapore Dollar	3.0770-3.0840	2.0835-2.0865	Switzerland	3.11¼-3.14¼
Sth African Rand	1.7525-1.7570	1.1875-1.1905	United States	1.47½-1.49½
U.A.E. Dirham	5.4345-5.4415	3.6720-3.6730	Yugoslavia	193-199

* Selling rates.

CURRENCY MOVEMENTS

Mar. 7	Bank of England Index	Morgan Guaranty Changes %
Sterling	81.4	−10.2
U.S. dollar	124.6	+14.0
Canadian dollar	[illegible]	[illegible]
Austrian schilling	[illegible]	[illegible]
Belgian franc	[illegible]	[illegible]
Danish kroner	[illegible]	[illegible]
Deutsche mark	128.3	+9.2
Swiss franc	150.2	+11.8
Guilder	116.9	+5.2
French franc	67.6	−14.5
Lira	49.0	−12.6
Yen	169.1	+16.1

Morgan Guaranty changes: average 1980-1982=100. Bank of England index (base average 1975=100).

CURRENCY RATES

March 7	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.724238	0.592125
U.S. $	9	1.07405	0.873439
Canadian $	[illegible]	[illegible]	[illegible]
Austria Sch.	[illegible]	[illegible]	[illegible]
Belgian Fr.	[illegible]	[illegible]	[illegible]
Danish Kr.	[illegible]	[illegible]	[illegible]
D'mark	[illegible]	[illegible]	[illegible]
Guilder	[illegible]	[illegible]	[illegible]
French Fr.	9½	8.41073	6.88029
Lira	16	1699.92	1391.05
Yen	5	238.112	195.060
Norwgn Kr.	8	7.92097	6.49158
Spanish Pta.	—	157.511	128.970
Swedish Kr.	8½	8.15887	6.68110
Swiss Fr.	4	2.26405	1.85298
Greek Dr'ch	20½	107.360	87.8560

* CS/SDR rate for March 6: 1.34431.

EXCHANGE CROSS RATES

Mar. 7	Pound St'rling	U.S. Dollar	Deusche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.476	3.775	329.5	11.596	3.125	4.253	2347.	1.860	77.10
U.S. Dollar	0.678	1.	2.556	223.1	7.858	2.116	2.879	1591.	1.260	52.24
Deutschemark	0.265	0.391	1.	87.28	3.072	0.828	1.126	621.7	0.493	20.42
Japanese Yen 1,000	3.035	4.480	11.46	1000.	35.19	9.484	12.91	7123.	5.643	234.0
French Franc 10	0.862	1.273	3.256	284.2	10.	2.695	3.668	2024.	1.604	66.49
Swiss Franc	0.320	0.472	1.208	105.4	3.710	1.	1.361	751.0	0.595	24.67
Dutch Guilder	0.235	0.347	0.888	77.48	2.727	0.735	1.	551.9	0.437	18.13
Italian Lira 1,000	0.426	0.629	1.608	140.4	4.940	1.331	1.812	1000	0.792	32.85
Canadian Dollar	0.538	0.794	2.030	177.2	6.236	1.681	2.287	1262.	1.	41.46
Belgian Franc 100	1.297	1.914	4.896	427.4	15.04	4.053	5.516	3044.	2.412	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Mar. 7	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9⅛-9¼	9½-9¾	9¼-9¾	5 9/16-5 11/16	2-2¼	5⅛-5¼	12¼-12½	15¾-16¾	12⅛-13	11⅞-12⅜	6 3/16-6 5/16	11¼-11¾
7 days' notice	9 1/16-9 3/16	9⅝-9⅞	9⅛-9⅞	5 9/16-5 11/16	1⅞-2⅛	5⅛-5¼	12⅛-12¾	16⅛-17⅛	15½-14½	12⅛-12⅜	6¼-6⅜	11⅛-11⅝
Month	8 15/16-9 1/16	9 15/16-10 1/16	9⅝-9⅞	5 9/16-5 11/16	3 3/16-3 5/16	5⅝-5 11/16	15-15⅜	17½-18	14½-15	12⅛-12⅜	6 5/16-6 7/16	11¾-12¼
Three months	8 15/16-9 1/16	10 1/16-10 3/16	9 15/16-10 1/16	5 9/16-5 11/16	3¼-3⅜	5½-5⅝	16-16⅜	17¾-18¼	13¼-13¾	12⅛-12⅜	6 5/16-6 7/16	11-11½
Six months	9 1/16-9⅛	10⅜-10⅝	10 1/16-10 5/16	5 9/16-5 11/16	3⅛-3¼	5⅝-5 11/16	16-16⅜	17⅞-18⅜	12¾-13¼	12⅛-12⅜	6 5/16-6 7/16	11-11½
One year	9 5/16-9 7/16	10 13/16-11 1/16	10 5/16-10 9/16	6¼-6⅜	3 13/16-4 1/16	5 13/16-6	16-16⅜	18¼-18¾	12½-13	12-12¼	6 5/16-6 7/16	11⅜-11⅞

Asian $ (closing rates in Singapore). Short-term 9 13/16-9 15/16 per cent; seven days 9¾-9⅞ per cent; one month 9⅞-10 per cent; three months 10⅛-10¼ per cent; six months 10⅝-10¾ per cent; one year 10 13/16-10 15/16 per cent. Long-term Eurodollars two years 11⅝-11⅞ per cent; three years 12-12¼ per cent; four years 12¼-12½ per cent; five years 12⅜-12⅝ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; two days' notice.

FINANCIAL FUTURES

Weaker trend

Prices finished towards the day's lows in the London International Financial Futures Exchange yesterday. Euro-dollar prices opened weaker, following a softer trend in Chicago on Tuesday but steadied during the morning eventually showing sporadic gains. Values were marked sharply lower later in the day however as heavy selling developed on comments made by Mr Paul Volcker, chairman of the U.S. Federal Reserve.

He stressed that U.S. economic expansion was still proceeding strongly and this prompted fears within the market that the Fed may tighten its fiscal policies in order to control inflationary pressures normally associated with vigorous economic growth. It remains to be seen how sustained market sentiment will be with regard to this idea. The June Euro-dollar price opened at 89.45 down from 89.49 and touched a high of 89.51 before sliding in the afternoon to finish at 89.42.

Gilt prices opened firmer and maintained these levels during the morning, absorbing a quarter point cut in Bank of England dealing rates. However a fall in U.S. bonds later in the day and sterling's weaker trend against the dollar pushed values to the day's lows. The June price opened at 109-30 up from 109-23 but fell away to finish at 109-18.

Short sterling opened a point higher for June delivery at 91.14 but values were marked down on a slightly firmer cash market as dealers reacted to the absence of a cut in clearing bank base rates, as some had been expecting, to 8½ per cent. Having reached a high of 91.15, the June price fell to close at 91.07.

LONDON

STERLING £25,000 $ per £

	Close	High	Low	Prev
March	1.4758	1.4854	1.4758	1.4825
June	1.4805	1.4915	1.4800	1.4870
Sept	1.4870	—	—	1.4930

Volume 307 (368)
Previous day's open int 2,091 (2,187)

DEUTSCHE MARKS DM 125,000 $ per DM

SWISS FRANCS SwFr 125,000 $ per SwFr

JAPANESE YEN Y12.5m $ per Y100

THREE-MONTH EURODOLLAR $1m points of 100%

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
March	109-28	110-07	109-27	109-25
June	109-18	110-00	109-16	109-23
Sept	108-29	—	—	109-04
Dec	108-09	—	—	108-17
March	107-25	—	—	108-01

Volume 3,870 (4,382)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

U.S. TREASURY BILLS (IMM) $1m points of 100%

CERT. DEPOSIT (IMM) $1m points of 100%

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

STERLING (IMM) $e per £

GNMA (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev
Dec	66-19	67-02	66-17	67-02
June	65-19	65-31	65-19	66-04
Sept	65-07	65-25	65-07	65-24
Dec	64-30	65-14	64-29	65-14

Previous day's open int 3,990 (4,439)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of June futures contract) 28 to 36 (32nds)

MONEY MARKETS

Attention focused on UK base rates

Trading conditions were extremely difficult in the London money market yesterday. The Bank of England gave assistance of over £950m in order to meet the day's shortage while attention was focussed on what action would be taken by remaining clearing banks after Tuesday's ½ per cent cut in the base rate of Barclays Bank. The Bank of Scotland reduced its rate to 8¾ per cent with effect from today but this was the only move. The Bank of England reduced its dealing rates in all four bands by ¼ per cent which was interpreted as an approving nod to Tuesday's base rate cut.

Interest rates were marked a little firmer with three-month sterling CDs rising to 8 15/16-8 13/16 per cent from 8¾-8⅝ per cent. Three-month eligible bank bills were bid at 8⅝ per cent up from 8½ per cent. While three-month interbank money was quoted at 8 15/16-9 per cent compared with 8⅞-9 1/16 per cent. Overnight money opened at 9½-9¾ per cent and touched 10 per cent before slipping to 8 per cent. Late balances were taken at 9½ per cent.

The Bank of England forecast a shortage of around £750m initially with maturing assistance and a take up of Treasury bills accounting for £424m and the unwinding of previous sale and repurchase agreements a further £186m. There was also a rise in the note circulation of £80m and banks brought forward balances £90m below target. These were partly offset by Exchequer transactions adding £30m.

To help alleviate the shortage the Bank offered an early round assistance, buying £65m of eligible bank bills, £7m in band 1 (up to 14 days) at 8 13/16 per cent, £46m in band 2 (15-33 days) at 8¾ per cent and £12m in band 3 (34-63 days) at 8 11/16 per cent. The shortage was later revised to around £900m, before taking into account the early assistance and the Bank gave additional help of £102m. This comprised purchases of £31m of eligible bank bills in band 1 at 8 13/16 per cent and £71m in band 2 at 8¾ per cent.

During the afternoon the Bank gave assistance of £700m. This comprised purchases of £2m of local authority bills and £35m of eligible bank bills in band 1 at 8 13/16 per cent and in band 2 £109m of eligible bank bills at 8¾ per cent. In band 3 it bought £124m of eligible bank bills at 8 11/16 per cent and in band 4 (64-91 days) £35m of eligible bank bills at 8⅝ per cent, also a cut of ¼ per cent from previously.

The Bank also arranged sale and repurchase agreements on £365m of bills at 8¾-9½ per cent, unwinding on March 15 and £30m at 8¾ per cent for resale on March 29. In addition the Bank gave late assistance of £85m, making a grand total of £952m.

UK clearing banks' base lending rate 8¾-9 per cent (since March 8)

MONEY RATES

Mar. 7	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.5-5.55	12½	1½-2½	5¾-6	6.40625	16⅞-17¼	12.15	11⅞-12⅛
One month	5.65-5.75	12⅜-12⅛	3⅛-3¼	5⅞-6	6.46875	18¾-17⅛	12 5/16-12 9/16	12⅛-12⅜
Two months	5.70-5.80	12 5/16-12 9/16	—	—	—	16⅞-17¼	—	12¼-12¾
Three months	5.75-5.85	12⅛-12⅜	3⅜-3½	5 15/16-6 1/16	6.28125	17⅛-17½	12 7/16-12 11/16	12⅝-12⅞
Six months	5.85-6.00	12 5/16-12 11/16	—	6-6⅛	—	—	12 7/16-12 11/16	12¾-13
Lombard	5.5	—	—	—	—	—	—	—
Intervention	—	12	—	5⅞	—	—	—	—

LONDON MONEY RATES

Discount Houses Deposit and Bill Rates

Mar. 7 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8-10	9¼	7½-9½	8-9¼	—	—	—	—	—
2 days notice	—	—	9-9⅛	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	9 1/16-9 3/16	9-9⅛	9⅜-9½	9-9⅛	—	—	—	—	—
One month	9 8⅞	8⅞-9⅛	9	9 1/16-9¼	8¾	8¾	8½-8 11/16	8¾	8⅝-8 11/16	9⅜
Two months	8 13/16 8 11/16	8 13/16-9 1/16	9	9¼	8⅝	8 7/16	8 9/16	8 11/16	8⅝	9 5/16
Three months	8 13/16-8 11/16	8 15/16-9	9	9¼	8½	8⅜	8 7/16-8½	8⅝	8½	9¼
Six months	8 13/16 8 15/16	9-9⅛	9	—	—	—	—	8 5/16	8 5/16	9 3/16
Nine months	9 1/16-8 15/16	9 1/16-9 3/16	9⅛	—	—	—	—	—	—	—
One year	9 1/16-9	9 3/16-9 5/16	9⅛	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9⅛ 9	—	9	9.75-9.85	8 13/16 9 1/16	9 13/16 10
Two months	9⅛-9	—	9	9.85-9.95	9 1/16 9 5/16	9⅞-10 1/16
Three months	9⅛ 9	—	9	9.95-10.05	9⅛ 9⅜	9⅞-10 1/16
Six months	9⅛-8⅞	—	9⅛	10.2-10.3	9 3/16-9 7/16	9⅞-10 1/16
Nine months	9¼-9⅛	—	9 3/16	10.4-10.5	—	—
One year	9½-9⅛	—	9 5/16	10.55-10.65	9 3/16-9 13/16	10 3/16-10⅜
Two years	—	10	—	—	—	—
Three years	—	10¼	—	—	—	—
Four years	—	10½	—	—	—	—
Five years	—	10⅝	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period February 8 to March 6 1984 (inclusive): 9.373 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from March 1, 1984. London and Scottish Clearing Bank Rates for lending 8¾-9 per cent. London Deposit Rate for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rates of discount 8.5909 per cent. Certificates of Tax Deposit (Series 6). Deposits of £10,000 and over held under one month 9¾ per cent; one-three months 9¼ per cent; three-six months 9¼ per cent; six-12 months 9½ per cent. Under £100,000 9 per cent from March 6. Deposits held under Series 4-5 9½ per cent. The rate for all deposits withdrawn for cash 7½ per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
(11.00 a.m. March 7)

3 months U.S. dollars

bid 10 1/8 offer 10 1/4

6 months U.S. dollars

bid 10 3/8 offer 10 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	11
Broker loan rate	10¼-10½
Fed funds	9⅝
Fed funds at intervention	9⅝

Treasury Bills

One month	8.90
Two month	9.10
Three month	9.29
Six month	9.41
One year	9.42

Treasury Bonds

Two year	99 21/32
Three year	99⅞
Four year	98 27/32
Five year	99 14/32
Seven year	98 13/32
10 year	97 27/32
30 year	97 8/32

KINGDOM OF DENMARK US$25,000,000
5½% 20 YEAR EXTERNAL LOAN OF 1964

HAMBROS BANK LIMITED hereby gives notice that in accordance with the terms and conditions of the above Loan the final redemption due 8th April 1984 will be effected by the drawing at par of all outstanding bonds.

The drawn bonds may be presented to HAMBROS BANK LIMITED, 41 Bishopsgate, London EC2P 2AA or to the other Paying Agents named on the bonds.

For payment in London bonds will be received on any business day and must be left three clear days for examination.

The following bonds from previous drawings are still outstanding for payment.

BONDS DRAWN 8th APRIL 1978

11225

BONDS DRAWN 8th APRIL 1981

15476

BONDS DRAWN 8th APRIL 1982

432 434 706 712 713 715 724 2459 3522 3525 4985 5394 5461 5462 5617 6229 7066 7071 11261 12316 12979 14176 15524 16384 21275 21276 21557

BONDS DRAWN 8th APRIL 1983

192 193 433 435 702 703 708 711 714 719 720 723 755 758 1324 1344 1430 1617 1670 1900 1901 2455 2456 2498 2908 3518 3520 4130 4241 5003 5616 5634 7044 7563 8756 10622 10772 10780 10899 10900 11221 11222 11223 11258 13483 12976 13035 13279 13880 14135 14138 14169 14194 14493 14494 15409 15482 15486 15487 15468 15489 15946 16383 16428 19492 19493 20261 21272 21353 21354 21558 21716 22113 34899

HAMBROS BANK LIMITED
8th March 1984

South Africa to reduce borrowing needs

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

SOUTH AFRICA's efforts at economic adjustment have started to pay off, with the current account balance of payments recording a surplus last year of about R500m ($420m) according to Mr Owen Horwood, Finance Minister.

This was achieved despite an 8 per cent volume decline in exports and a severe drought which forced the country, traditionally a major food exporter, to import maize.

"Even with a relatively low gold price" this year should see a continuation of the surplus of about R500m to R700m, he told the annual Financial Times conference on the Euromarkets.

There should also be a reversal of the net equity outflows which reached R1.6bn in the past two years as foreigners sold shares in South African enterprises. Such sales were cyclical and an inflow of investment capital would return in the wake of any increase in the gold price or real recovery in the domestic economy.

"Then we shall once more reduce the country's relatively small amount of outstanding debt," he said. This did not mean, however, that South African borrowers would be absent from the capital markets.

The projected capital expenditure of the public sector is between R8bn and R9bn annually for the next few years, some of which will have to be financed from abroad. South Africa also likes to maintain a profile in the marketplace and has recently arranged bonds in D-Marks, Swiss francs and Ecus, he said.

Owen Horwood: economic adjustments paying off

Now it was also considering a public bond issue denominated in U.S. dollars. "When we judge the moment propitious we would be keen to go for (one). We haven't made any final decision," he told a questioner.

Mr Horwood stressed that South Africa had been careful to avoid an excessive build-up of short-term debt even when running a large current account deficit of R3.7bn in 1981. By the end of 1982 foreign debt was about R24bn, half of which was short-term. Most of that was trade finance of a self-liquidating nature.

South Africa's debt service ratio – the relation of foreign interest payments to export proceeds – is between 5 per cent and 6 per cent "which is in all conscience low according to international standards."

Other speakers at the conference discussed the prospects for different currency sectors of the international bond markets. Both Mr Axel Kollar, management board member of WestLB, and Mr M. Kurokawa, President of Nomura International, saw increased business in the markets for their respective currencies.

In the context of liberalisation of Japanese financial markets, Mr Kurokawa said he expected a steady and controlled growth in the markets for yen bonds and syndicated loans and wider international fund-raising methods by Japanese companies.

There would also be a dramatic growth in foreign currency portfolio assets held by Japanese institutional and private investors, with a particularly marked rise in their purchase of foreign equities.

FINANCIAL TIMES
The Euromarkets in 1984
CONFERENCE

Mr John Forsyth, a director of Morgan Grenfell who chaired yesterday's proceedings, said the sterling capital markets were maturing with the growing participation of institutional investors which had helped improve liquidity for secondary market trading.

Mr Richard Briance, executive director of Credit Suisse First Boston, examined the new issue boom in the floating rate note market, which he said had been "dressed up as a showdown" with the syndicated loan market.

He argued, however, that the imbalance between the two markets would soon end, as ultimately the floating rate note market had to revert to being one used principally by buyers other than banks. These buyers would continue to hold off until spreads widen and maturities shorten again, he said.

Finally the conference turned to the debate on the possible lifting of the U.S. withholding tax on interest. Mr Alan Granwell, partner in Cadwalader, Wickersham and Taft and a former international tax counsel at the U.S. Treasury, presented a detailed paper on the effect of the tax and the technical issues involved in the debate. Mr Michael Coles, a partner in Goldman Sachs, discussed the potential impact on the markets of any substantial changes in the tax.

Mr Coles said complete lifting of withholding tax would theoretically lead to a total internationalisation of the bond market with new issues syndicated simultaneously in the U.S. and Europe. It would no longer be possible for top-rated U.S. corporations to raise money at lower cost than the U.S. Treasury in the Eurobond market, since Treasury bonds, too, would be free of withholding tax.

He noted, however, that retail investors in the Eurobond market are prepared to pay a premium for bearer securities. This could give the Eurobond market a continuing advantage over the U.S. domestic market.

EUROBONDS

Interest rate fears hit prices

By Mary Ann Sieghart in London

PRICES of seasoned Eurodollar bonds plunged by as much as one point yesterday amid fears of rising U.S. interest rates and a 1-point fall in the benchmark U.S. Treasury long bond.

Only one dollar issue was launched – a novel $50m bond from Lac Minerals, Canada's second largest gold producer. The five-year bond has an 8 per cent coupon at par and is led by Wood Gundy.

Each $1,000 bond carries four warrants, each of which entitles the holder to buy ½ ounce of gold at a 15 per cent premium to its spot price when terms are fixed. The warrants, too, have a five-year life.

Reactions to the bond were mixed, but it traded at a discount of around 1¼ per cent, within its 1½ point selling concession.

Belgium is expected to launch a £100m floating rate note today through County Bank, with Samuel Montagu and S.G. Warburg as co-lead managers. The 10-year bond is expected to pay ⅛ per cent over the three-month London interbank offered rate at par, with front-end fees of 0.90 per cent.

BHF Bank bond average		
March 7		Previous
100.009		100.008
High	1983-84	Low
102.017		97.699

To discourage Belgian private investors from buying the tax-free bonds, they are likely to be in large denominations (probably £100,000 each) and will be registered.

PKbanken of Sweden is raising Ecu 50m through an eight-year bond paying 10⅞ per cent at a price of 99½. Société Générale, Manufacturers Hanover and PKbanken itself are leading the issue.

The traditional syndicate of Belgian and Luxembourg banks is likely to refuse any co-management invitations.

Socal Euroloan includes CD pricing option

By Margaret Hughes in London

BANK OF AMERICA is lead manager for the record $14bn loan being raised by Standard Oil of California (Socal), to help finance its agreed takeover of Gulf Corporation.

The deal is the largest ever syndicated loan in the Euromarkets, $2bn more than the credit arranged by another of Gulf's suitors, Atlantic Richfield (Arco).

Bank of America has invited participation by a "very selective" group of banks including all the major international lenders. It hopes that the loan will be signed tomorrow.

The terms of the Socal loan include a margin of ⅜ per cent over Eurodollar rates for the first four years of the eight-year loan, rising to ½ per cent over the last four. There is also a certificates of deposit (CD) pricing option, carrying a margin of ½ per cent over CD rates in the first four years and one of ⅝ per cent for the remaining four. The commitment fee is ⅛ per cent.

It is understood that the Arco loan was signed as scheduled on Monday, but neither Arco nor lead manager Chase Manhattan would comment on the future of this loan. It seems likely that since the original purpose for the loan no longer exists, the loan will have to be unwound, although it was sought for "general purpose including friendly acquisition."

In the event that the loan is unravelled, it is possible that *ex gratia* payments may be made to the banks which agreed to put up the finance.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for March 7.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alaska Housing 11¾ 94	100	97⅞	98⅛	-0⅛	-0⅛	12.10
Australia Comm 11¼ 90	100	99½	100	0	0	11.27
Australia Comm 11½ 95	300	95⅝	96⅛	-0⅛	-0⅞	12.16
Australia Comm 11⅝ 98	100	95¾	96¼	-0½	-0⅝	12.28
Australian Ind Dev 11 89	75	96⅞	97⅜	-0⅛	-0⅛	11.79
Bank of Tokyo 11⅝ 90	100	97	97½	-0⅝	-0⅞	12.47
Beneficial O/S Fin 12 91	100	95⅛	95⅝	-0⅛	-0⅞	13.04
Britoil Fin 11⅞ 90	125	97⅞	98⅜	-0½	-0⅛	12.27
Canada 10⅞ 88	500	98	98½	0	+0⅛	11.34
C.C.C.E. 12⅝ 95	75	97¾	98¼	-0½	-0⅞	12.94
Citicorp O/S 10⅜ 90	100	89⅝	90⅛	-0⅛	-0⅛	12.63
Citicorp O/S 11⅜ 90	100	96¾	97¼	-0¼	-0⅛	12.41
D.N.C. 11⅜ 91 WW	50	94⅞	95⅜	+0⅛	+0⅝	12.84
D.N.C. 11⅜ 91 XW	50	94⅛	94⅝	-0⅞	-0⅞	13.02
Denmark Kingdom 12⅛ 93	100	98⅛	98⅝	-0½	-0¼	12.52
E.C.S.C. 11⅞ 90	75	98	98½	-0⅛	-0⅛	12.25
E.D.C. 11⅛ 89	150	95½	96	-0½	-0½	12.31
[illegible]						

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bk 7⅜ 94	15	99⅜	99⅞	0	+0⅛	7.43

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col Hyd 12 93 CS	125	97⅝	98	-0⅛	0	12.38
[illegible]						

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Philippine debt expansion likely

BY OUR EUROMARKETS CORRESPONDENT

A FURTHER extension of the temporary freeze on debt repayments by the Philippines after it expires in mid-April seemed inevitable yesterday after fresh talks between Mr Jose Fernandez, the central bank governor, and leading bank creditors.

The committee of leading creditors, which is chaired by Manufacturers Hanover, told Mr Fernandez that it would wait until the Government of President Ferdinand Marcos implemented an International Monetary Fund programme before agreeing terms for rescheduling the commercial bank share of the country's $24.9bn foreign debt.

This could take until June, bankers said after the meeting, which ended late on Tuesday night in New York. Meanwhile, banks are to maintain their short term credit lines to the Philippines and study conditions for extending the repayments freeze on medium and long-term debt.

Although the International Monetary Fund has a clearer grasp of the basic Filipino economic statistics the country's need for fresh money from its bank creditors remains uncertain while details of that country's economic programme are still under negotiation.

OVER-THE-COUNTER

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Stock		Sales (Hnds)	High	Low	Last	Chng
TexFd	t	41	24¼	23½	24	
Texon		252	5⅞	5⅝	5⅝	+⅛
Texme	.25e	10	16¼	16	16	
ThdNat	1.62	15	37	36¾	37	-⅛
[illegible]						